



## EUROPEAN NEWS

### Brussels says more chemical capacity cuts may be needed

BY PAUL CHEESERIGHT IN BRUSSELS

CHEMICAL INDUSTRY plans to cut capacity will be sufficient to bring supply back into balance with demand only if the crude oil price stabilises around present levels and demand rises by 10 per cent during the rest of this decade.

The European Commission made this assessment in its annual study of capacity in the refining industry, published yesterday.

The industry has been forced to rationalise in order to maintain competitiveness in the face of an expected build-up of refined petrochemical products from the Middle East. Its plans involve 40m tonnes of capacity cuts between now and 1990. Total capacity in January was 615m tonnes, the Commission noted.

Its assessment of current cutback plans was drawn up against the background of twin uncertainties — how the oil price will move and how the level of demand will evolve.

Cuts of 40m tonnes by 1990 would be adequate, on the basis of capacity use of 80 per cent, provided the crude oil price settles around \$15 a barrel, the Commission calculated.

But if the oil price rose and settled at \$20 and present demand levels were maintained,

then deeper cuts in capacity would be needed — 65m tonnes, instead of the 40m tonnes already planned, the Commission thinks.

In a third scenario, the Commission considered an oil price stable at around \$25 and a 5 per cent drop in capacity. Under those circumstances, plant closures would need to be 95m tonnes, it considers.

Capacity utilisation in the primary distillation section of the industry remains at a lower level on average than the minimum 80 per cent seen as necessary for financial and technical efficiency.

According to Commission figures, the average is about 70 per cent. The average is dragged down by utilisation rates of less than 60 per cent in Italy and Portugal, in Denmark, West Germany and Britain, however, capacity utilisation is running over 80 per cent.

The Norwegian Government yesterday indicated its willingness to co-operate with Opec in efforts to stabilise the international oil market if Opec reaches an agreement on production and pricing policies, reports AP-DJ in Vienna, quoting the organisation's news agency.

### Rupert Cornwell travels aboard the only UK military train left in regular service British 'Intercity' keeps a line to Berlin

AT ABOUT 8.35 on a brilliant early May morning, the doors of a six carriage train standing at a scruffy side platform at Charlottenburg station in West Berlin are carefully padlocked by a small detachment of British troops — and another of the manifold curiosities of a divided Germany is about to begin its daily re-enactment.

Nowhere else in the world, perhaps, has the temporary such a habit of becoming permanent as in Berlin, that living symbol of the absence of a formal treaty to end the Second World War. Nowhere, by the same token, is so rich in anachronisms. And of those anachronisms few are as fetching as the train which plies back and forth between the former capital of the Reich and Braunschweig in what used to be the British zone of conquered Germany.

Every day since 1945, with the exception of Christmas Day and the period of the Berlin blockade in 1948-49, the "Berliner", the only British military train in regular service anywhere in the world, has made the four-hour run out of the British sector of the occupied city across East Germany (for the purposes of the train the Russian zone of conquered Germany) and back to the west.

In this day and age the road and air corridors are far more practical means for the western allies to supply their

garrisons in West Berlin. Yet, assiduously, Britain, France and the US maintain the rail link as well, deliberately to hold the Soviet Union to its promise, enshrined in the Four Power Berlin Agreement of 1972, to guarantee them unimpeded access to their part of the city.

The trains are barred to Germans, whatever their provenance: only nationals of the three powers may use them. The French train reputedly has excellent food, but operates only twice weekly (from Strasbourg). The American one

travels overnight from Frankfurt, regrettably reducing sightseeing opportunities to a minimum. The British train, connoisseurs agree, is the most fun.

And indeed, what could be more agreeable, after having one's special military movement orders checked before boarding, than to sit down to a substantial English breakfast as the train, this time carrying the unusually small number of 26 passengers, sets out for the West?

The dining car, and its nonsense service and specially

labelled claret, could belong on British Rail's Intercity out of Euston to Manchester. What is different are the soldiers, today from the Devon and Dorset and the Gloucesters, patrolling the corridors, and the distributed instructions "not to converse with East German or Soviet personnel," and to "remain seated at all stops in East Germany."

The first of these comes after half an hour when the train, with its Union Jack emblems on each carriage, pulls into a special wired off corridor at Potsdam station. As a Russian



British troops in West Berlin

### Hungary's trade with the West declines

By Leslie Cooper in Budapest

HUNGARY had a 10 per cent hard currency trade deficit in the first quarter of this year, the result of falling exports to the West. Together with Poland and Bulgaria, it has presented a picture planned by the EEC in 1988, when it was expected to import more than it exported.

The fall in hard currency income threatens to force Hungary to raise real incomes and investments, the year's first such move, appeared here yesterday.

The country had planned a 240m surplus in its convertible currency trade this year, after a trade with the West plummeted last year by 30m from 770m in 1990. An EEC ban would be an added blow, as Hungary normally sells more than 200m worth of agricultural meat and produce to Western Europe.

Budgetary cuts are needed to assure potential Western visitors that Hungary's inflation levels there are normal, and that tourists can enjoy the same services as in Western cities. Tourism has been one of the few bright spots in the economy.

The tone of Hungarian newspaper commentaries on the economy has grown increasingly pessimistic. The Budapest daily "Magyar Nemzet" noted last week that Hungary was on a "downward economic course," with Hungarian companies and the Government operating at cross purposes. Government incentives to companies to boost exports to the West are "easier to increase sales to either of our countries," it said.

The Government this month lowered oil prices for chemical companies by 15 per cent and ethylene prices by 20 per cent in an attempt to improve their international competitiveness. Despite the steep fall in world oil prices, domestic oil prices have remained at previous levels, as they are subsidised with a sliding scale, the average of world prices.

Hungary's Minister of Industry estimates that the country will suffer a loss of \$100m this year as a result of falling prices for oil products in the West. Along with other East European countries, Hungary in recent years has sold both the excess crude oil it imports from the Soviet Union as well as oil products to the West to bolster its hard currency earnings.

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### Trusthouse Forte to build 10 large hotels in Italy

BY ANDREW TAYLOR IN LONDON AND JAMES BUXTON IN ROME

TRUSTHOUSE Forte, the hotels group, says the initial cost of its planned expansion in Italy will be around 1,500bn (\$325m) to build 10 large hotels.

The company earlier this year announced proposals to expand its Post House hotels in Italy and West Germany and recently announced plans to build a new hotel in Hamburg.

The group's interests in Italy currently are a holiday village and hotel in Sardinia.

Mr Rocco Forte, group chief executive, said at a tourism conference in Italy that the new hotels would provide a total of 7,200 beds and would be built near airports and major road junctions in commercial areas of northern and central Italy and cultural centres in the south.

Trusthouse confirmed that the group was looking at several possible sites but said it was too early to discuss detailed plans.

The Trusthouse Forte decision is an important development for the Italian hotel trade.

Although Italy has Europe's largest tourist industry, the country has few large hotels and most hotels are independent, family-run operations. There is a serious shortage of hotels at peak time in Milan and Florence.

There are a few hotels run by international chains, including Hilton and Sheraton, while at the luxury hotel level the market is dominated by the Ciga Group, which is controlled by the Aga Khan, who has big investments in Italy. In the middle range of the hotel market, the principal hotel chain operator is Jolly Hotels, owned by the Marzotto Group.

Many Italian hotels suffer from having little investment in renovation and refurbishment in the past 15 years.

### Strike hits Irish farms

BY HUGH CARNERY IN DUBLIN

THE Irish Government was hit yesterday by a public-sector strike which could seriously affect the country's important beef and dairy industries just as it appeared to have settled a long-running pay dispute with teachers.

A group of 150 agriculture department officials held a one-day stoppage which disrupted the buying of beef and dairy products into EEC intervention stocks — an important prop for Irish farmers — and slaughtering.

The action, in pursuit of a pay claim, is due to be stepped up from today. The Agriculture Department said it could lead to a halt in intervention buying and disruption of exports. The beef and dairy trade makes up three quarters of Irish agricultural output and accounts annually for more than £2bn (\$2.7bn) in exports.

The dispute worsened as the Government appeared to have found a way out of a bitter nine-month pay dispute with teachers in time to lift a threat to this summer's school exam programme.

Teachers are expected to pick this week in favour of a compromise deal agreed at the weekend with the three teachers unions giving 16.5m in lump-sum payments, plus further phased increases.

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Handwritten Arabic text: "سوق الأسهم"

EUROPEAN NEWS

EEC struggles to agree radioactivity levels in food

BY QUENTIN PEEL IN BRUSSELS
PUBLIC ALARM over the consequences of the Chernobyl nuclear disaster turned to despondency in Brussels yesterday...

Dutch farmers may sue Moscow

BY Laura Raun in Amsterdam
A DUTCH INSURER is investigating whether the Soviet Union can be sued for the financial damage suffered by Dutch farmers as a result of the Chernobyl nuclear disaster...

German commercial TV hopes collapse

BY Peter Bruce in Bonn
ANY HOPES that West Germany's provincial leaders might still find a formula for the introduction of nationwide commercial television beamed directly from space collapsed in Bonn yesterday...

Kevin Done on the new team's prospects Labour inherits host of problems in Norway

THE PARTY is over for Norway, but it is still far from clear if the country has much left about how to deal with the hangover. One minority government has replaced another...

The new Prime Minister could hardly have chosen a more difficult moment to move into the driving seat. During several years of sharply rising revenues from North Sea oil and gas production Norway has enjoyed a period of unparalleled prosperity...

Outlook gloomy for inflation in France

BY David Housego in Paris
INFLATION will fall less rapidly in France than in its main European trading partners over the coming months, according to the stete statistics institute Insee...

HOW THE EEC FOOD IMPORT BAN HITS EASTERN EUROPE

Table with 2 columns: Country, 1985 exports in banned categories (Ecu m), 1985 total exports to EEC (Ecu m). Rows include Soviet Union, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Yugoslavia.

No overall estimate of the financial loss from the Chernobyl accident has yet been made by Interpolis, the Dutch Agriculture Ministry or the powerful Landbouwschap, the Dutch agricultural industry association...

The states control broadcasting in West Germany, and the SPD Lander have feared that private channels will trivialise news, be generally right-wing in tone and will damage the public networks...

There must also be a major question mark over the willingness of her supporters to stomach too harsh a dose of austerity. It is little more than six months since the general election, when Labour, together with its left-wing ally, the Socialist Left Party, surged to the brink of victory with an expensive platform that promised increased spending on health and social services...

Income taxes have been cut, but public expenditure has still risen in relation to gross domestic product, as expansive economic policies have reinforced the recovery that was already under way...

Oil wealth
In spite of the crisis it must be remembered that the recent years of oil wealth have given Norway an enviable cushion of exchange reserves to help it bridge its problems...

tap water—apparently ignoring years of extreme caution prescribed by foreign residents in the country. Officials of the European Commission wrung their hands in despair at the inability of the member states to agree on urgent measures to protect their populations from radioactivity in EEC food produce...

German limits are set at 250 becquerels. The foreign ministers were still apparently determined last night to agree on restricting East European produce, already subject to a ban as far as fresh meat and live animals are concerned...

The scrappy introduction of direct broadcasting into West Germany will inevitably damage its attraction to advertisers. Much of the row about the introduction of private television in West Germany has centred on efforts by the present conservative Government, and its state leaders, to try and prevent the publicly owned channels from supplementing their licence fee income with advertising...

Wage claims
One of the earliest challenges for the Government's economic policies could also come from the ranks of its own supporters in the unions. Public sector workers are pushing for wage increases way out of line with the devaluation strategy which will stand or fall on the Government's ability to control the inevitable surge in inflation...

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Advertisement for Aycliffe and Peterlee Development Corporation. Features a large black and white photograph of a man in a suit. Text includes: 'Aycliffe and Peterlee, gentlemen? Not surprisingly its factory accommodation and potential labour force is severely restricted.' and 'DIAL 100 AND ASK FOR FREEPHONE AYCLIFFE PETERLEE'.

AMERICAN NEWS

David Owen reports on a long running battle for power in Windy City Chicago's mayor grasps a shaky helm

ON JANUARY 3, 1980, a team of city engineers completed the task of making the Chicago river flow backwards. The supporters of Mr Harold Washington Mayor of Chicago, believe he is at last close to achieving the political equivalent.

After a bitter and protracted struggle dubbed "Council Wars" by local commentators, the breakthrough for Mr Washington came with a court ruling that seven Vrdolyak-controlled wards, in predominantly poor black and Hispanic areas, should be redrawn.



Mayor Washington—in the ascendant.

Major. Mr Washington's supporters in a display of typical Chicagoan one-upmanship, have swapped the "25 Plus 1" badges they were sporting last

Mexico closes state-owned steel plant

THE MEXICAN Government has closed down Fundidora Monterrey, one of the three main state-owned steel companies, in the first real test of its politically controversial intention to privatise or liquidate less-making public sector industrial companies.

Shultz to fight proposed State Department cuts

AN ANGRY GEORGE Shultz, the US State Secretary, is to "drop everything else" this week to fight sharp congressional cuts in funds for his department that he believes could seriously undermine US foreign policy.

Quebec to seek veto on change to constitution

QUEBEC, the French-speaking province of Canada, will try to regain its traditional veto over constitutional change in Canada in negotiations expected to start with the federal authorities in Ottawa later this year.

Canadian Minister for Industry resigns

CANADA'S Industry Minister Mr Sinclair Stevens resigned yesterday in the wake of growing allegations involving his private business affairs.

US oil rigs in operation decline to 30-year low

THE NUMBER of oil drilling rigs operating in the US has fallen to its lowest level since 1912, according to Hughes Tool, which keeps some of the most closely watched statistics on the level of activity in the US oil industry.

King in US to lobby for IRA extradition treaty

MR TOM KING, the British Government Northern Ireland Secretary, yesterday began a round of talks in Washington aimed at securing Senate approval for an extradition treaty that would make it harder for IRA terrorists to find sanctuary in the US.

OVERSEAS NEWS

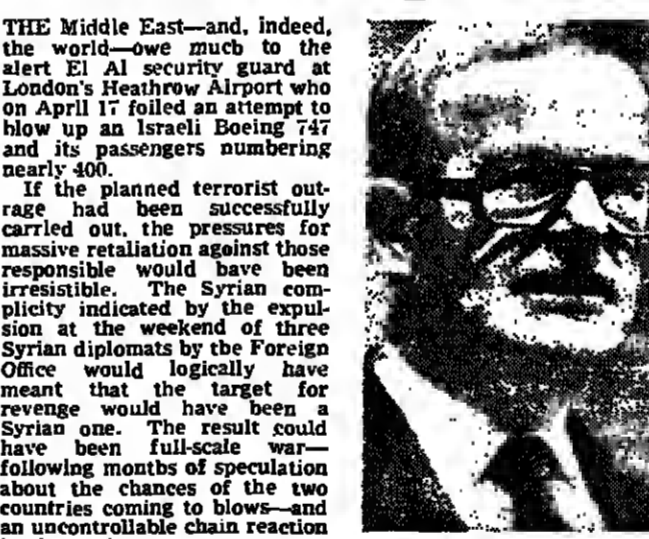
Gandhi appoints Sikhs to key Cabinet posts

INDIA'S Prime Minister, Mr Rajiv Gandhi, yesterday gave two key positions in his Cabinet to Sikhs in an effort to placate the estranged Sikh community of the Punjab.

Unita asks Zambia to keep out Angolans

Leaders of Angola's Unita rebels yesterday urged Zambia not to allow Angolan government forces to use its territory as a base for an offensive against guerrilla strongholds, Reuter reports from Lisbon.

Andrew Whitley reports on risks of Mideast military adventures War talk grows in Syria and Israel



President Assad of Syria (left) and Prime Minister Peres of Israel: very different perceptions.

THE Middle East—and, indeed, the world—owe much to the alert El Al security guard at London's Heathrow Airport who on April 17 foiled an attempt to blow up an Israeli Boeing 747 and its passengers numbering nearly 400.

also that of the ruling Alawite minority in Syria. Much more credence in the Arab world is given to the view that Israel, encouraged by the forceful condemnation by Washington of the "Syrian hand" behind recent terrorist attacks, would seize the chance to do something it has long been itching to do. This is to bomb the headquarters in Lebanon's Bekaa Valley of the Abu Nidal terrorist faction and the Shi'ite fundamentalist Hezbollah militia, together perhaps the most dangerous of all Israel's many foes.

Eminent persons group returns to S. Africa

THE Commonwealth "eminent persons group" (EPG), set up after last October's Commonwealth summit in Nassau, returns to South Africa today for another round of consultations. They are aimed at facilitating negotiations between the South African Government and representative black leaders, including the banned African National Congress (ANC).

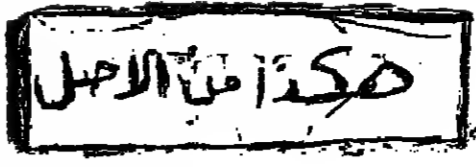
Nepalese vote

The Nepalese went to the polls yesterday to choose a new National Assembly, despite a call from most of the Himalayan kingdom's outlawed political parties that the elections be boycotted.

Taiwan to allow more effective opposition

TAIWAN'S RULING Nationalist Party has taken the first tentative step towards tolerance of a viable united opposition since its fight from mainland China almost 40 years ago.

under martial law) and for maintenance of political harmony. Some observers have attributed the ongoing dialogue to Taiwan's president, Chiang Ching-kuo, who last week instructed the KMT to strengthen its rapport with the public and mend its fences with the opposition.



Europe forecast to continue lagging in high technology race

BY CHRISTIAN TYLER, TRADE EDITOR

EUROPEAN attempts to match the US and Japan in the field of high technology are probably a waste of time, according to calculations made by a group of Norwegian economists. Their computer model of the world economy shows that western Europe will remain a "jack-of-all trades" in the world trading system until the end of the century...

Peter Marsh on the Republic's ability to launch satellites on a commercial basis China aims for a showcase in space



Long March 3: broadly comparable in lift capability with Delta

CHINA has the capability to put into space on a commercial basis two or three satellites a year, easing the problems of Western telecommunications companies affected by the suspension of flights of the US space shuttles and Delta rockets.

The rocket, which derives much of its lift capability from a powerful third-stage engine burning liquid hydrogen and liquid oxygen, has been injected into this orbit experimental communications satellites. Later versions of these are due to provide telecommunications links, and possibly TV broadcasts direct to roof-top receivers, over China's vast territory.

Indonesian reforms 'will help contain trade deficit'

By Our Jakarta Correspondent INDONESIA'S new economic package of liberalised foreign investment and trade regulations will help to restrain any rapid expansion in the current account deficit, support real growth and promote efficiency among Indonesian companies, Dr J.B. Sumarlin, Minister for National Development, said.

Wardair to operate Airbus

By Bernard Simon in Toronto

WARDAIR, the Edmonton-based airline, is to become the first Canadian carrier to operate the European Airbus following its purchase of three used A-300 models for C\$120m (£57.1m) from South African Airways.

take satellites into space on a commercial basis. It says it will undercut the prices charged by the US National Aeronautics and Space Administration, operator of the shuttle and Delta rockets, and ArianeSpace, the French company selling launches on Western Europe's Ariane rocket.

The world's launch capacity has been cut due to the suspension of Nasa's shuttle and Delta flights after recent launch failures. ArianeSpace, meanwhile, has a full order book.

The Soviet Union, which has also indicated an interest in using its rockets to lift commercial payloads for the West, has still to demonstrate that it can master the difficulties of such engines. Motors which use this technology provide a great deal of thrust for a relatively small amount of fuel.

INSIGHT INTO CORPORATE STRATEGY

BROTHER INDUSTRIES: New European Strategy

Brother Industries, the world's largest producer of electronic typewriters, employs over 1,000 people in Europe and has recently started manufacturing in Wrexham, North Wales.

or by the EEC decision to levy a large tariff on typewriter imports? Have these factors influenced your decision to start manufacturing at Wrexham?

Tazaki: These were not the main reasons we decided to open that plant. Providing the best service to our customers and reducing the distance between the market and our manufacturing operation have been uppermost in our minds.

home microwave oven business experienced phenomenal growth.

Davis: Are you optimistic about Brother's future in Europe? Tazaki: I think we can overcome the difficulties presented by the strengthening yen and trade friction.

I would say this is one of our major operations. We are now talking to a large number of suppliers and we are keen to increase our proportion of locally bought components.

Enhancing Quality Davis: Do European companies meet your requirements for quality? Kato: When we first looked, very few of them did. However, the situation has improved since we have spent a long time with these suppliers explaining exactly what kind of parts we wanted. They have usually responded quickly.

There are some parts, such as some of the electronic components, motors and precision parts, which we cannot find in the UK at present. Therefore, we have contracted suppliers in Germany, Holland and France. Negotiations with them are continuing.

Davis: How would you describe the market for the lightweight typewriter market where you have been very strong in the past? Kato: There have been times when we have been selling more portable typewriters than our German competitors who have neglected that sector. For example, we were the first to introduce home-use electric typewriters while our competitors concentrated on heavy-duty office machines.

Portrait of Mr. Joseph Zauberman, President of Brother France S.A., with text discussing the European typewriter market and competition.

typewriter market. The decision to manufacture in Europe will greatly help achieve this. Now that we are getting our supplies from a nearby factory, we feel we have much greater influence on the product than before when it was sent to us over a long distance.

However, it will be necessary for the Wrexham factory to produce exactly the kind of typewriter that is liked by Europeans. As long as we were buying from the Japanese factory we could not help sometimes getting a product that was chiefly designed and manufactured for the U.S. market.

Increasing Competition Davis: How do you respond to the increased competition in the lightweight typewriter market where you have been very strong in the past? Kato: There have been times when we have been selling more portable typewriters than our German competitors who have neglected that sector.

Portrait of Mr. Harald Rudloff, Managing Director of Brother International GmbH, with text discussing market strategies and competition.

European groups invited to compete in South Korea

By HAZEL DUFFY EUROPEAN companies were urged yesterday to become more involved with the South Korean market. Mr. Woo-Chong Kim, chairman of the Daewoo industrial group, told the Management Conference of European Businessmen in Barcelona that Korea was keen to reduce its dependence on the US and Japan.

companies willing to tie the supply of parts, machinery or entire systems to border manufacturing or technology-transfer agreements. Imports of consumer goods and food products by South Korea would also increase as the country progressively reduced its tariff rate on these items and manufactured goods.



Tazaki: We cannot avoid this impact because the stronger yen obviously affects all products we purchase from Japan, particularly those bought in pound sterling, so it is inevitable that we will have to raise our prices in Europe, depending upon the area.

American groups may build Greek fuel plant

By ANDRIANA HERODIACONOU IN ATHENS GENERAL ELECTRIC and the US Consolidation Coal of the US expressed interest in a \$250m (£161m) coal liquefaction plant in Greece. The announcement came in the lead of a round of talks in Athens on industrial co-operation between the Greek and US governments.

the American military bases in Greece and was signed by Athens and Washington in 1983. Greek Economy Ministry officials say the coal gasification project will provide fuel for the state-run Public Power Corporation which will be directly involved in negotiating terms with the two American companies.

Advertisement for Brother Industries, LTD. Nagoya, Japan, featuring the company logo, contact information for Europe, West Germany, and France, and a quote from a customer.

Advertisement for Brother Industries, LTD. Nagoya, Japan, featuring the company logo, contact information for Europe, West Germany, and France, and a quote from a customer.

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April 16, 1986

UK NEWS

MPS PRESS FOR PARTY COMMITMENT ON NUCLEAR ENERGY

Labour 'should scrap N-power'

By MICHAEL CASSELL, POLITICAL CORRESPONDENT

A CLEAR commitment by the Labour Party to phase out nuclear power in the UK was yesterday urged by Mr Tony Benn and Mr Eric Heffer, two of the party's leading left-wing and anti-nuclear figures. The call for clarification of Labour policy came in the wake of the Chernobyl accident and on the eve of today's House of Commons debate on the civil nuclear industry, which is certain to highlight misgivings and divisions of opinion over nuclear power, which are present in all the main parties.

The Benn-Heffer initiative is designed to reinforce the Labour Party conference call last year to phase out nuclear power, which failed to win the two-thirds majority needed to see it included in the party's programme. Dr John Cunningham, Labour's environment spokesman, supports continued civil nuclear development, but wants an end to the secrecy surrounding nuclear power as well as tighter controls on the handling of waste.

The document claims that the development of nuclear technology is nothing more than a "safe cover for nuclear weapons, that it is more expensive than coal and that it carries inherent dangers which have recently been demonstrated by the Soviet calamity." It adds: "To pretend that we are exempt from the risks is to deceive people, and human error as well as design faults could happen anywhere." Mr Benn and Mr Heffer describe the nuclear reprocessing plant at Sellafield, north-west England, as "still a military installation." The party's commitment to close down the nuclear weapons programme will, they say, remove the reason for its existence.

They call for the cancellation of the planned £1.5bn pressurised water reactor at Sizewell in Suffolk which is likely to meet with the approval of the party. Mr Peter Walker, the Energy Secretary, yesterday refused to delay a decision on the construction of a new generation of nuclear power stations because of the disaster at Chernobyl. He insisted that a decision on a pressurised water reactor at Sizewell, on the east coast of England, would be taken "in the normal way" after the publication of the report of a public inquiry.

High risk investment ruled out for Peps

By Clive Wolman

THE GOVERNMENT'S proposals, published yesterday for the operation of the personal equity plans (Pep) announced in this year's budget, contain several surprise provisions to encourage small investors and discourage their use as tax shelters for the wealthy. Mr Nigel Lawson, Chancellor of the Exchequer, introduced the proposals in March as part of the Government's strategy to spread individual share-ownership. According to the budget proposals, shares, but not unit trusts, held in personal equity plans would be free of capital gains tax and of income tax on their dividends. Individuals would be allowed to invest up to £2,400 a year in a Pep.

BCal widens talks with ILG but denies possible merger

By LYNTON McLAIn

BRITISH CALEDONIAN (BCal), Britain's largest independent airline, and International Leisure (ILG) have widened the scope of their talks on co-operation, but both groups said yesterday that the talks were still not about a possible merger. The wider discussions are about possible co-operation in hotels, tour operations and engineering.

ILG includes the Intasun, Global and Club 16-30 inclusive tour companies and Air Europa, its own charter airline. The BCal group includes British Caledonian Airways, Caledonian Hotel Holdings and Caledonian Airtime, an aeronautical engineering company. BCal and ILG have been discussing for some time possible ways of collaborating in the operation of their existing and future short-haul airlines. The aim has been to examine prospects for cross-utilisation of aircraft between charter and scheduled services in Europe to achieve a better use of the aircraft from the Gatwick airport hub.

At the moment, BCal's peak scheduled aircraft operating activity is in the mornings and late afternoon, with a midday gap. The peak activity for Air Europa tends to be towards the weekends. The talks on aircraft use reached the stage where it made more sense to consider the aircraft fleets together than apart, Mr Colman said.

Hattersley to outline spending framework

By Peter BROWN

AN INCOMING Labour Government would immediately produce a medium-term economic strategy to guide a single budget for public spending and borrowing. On a speech given today, Mr Roy Hattersley, Labour's deputy leader and economic spokesman, will announce the broad outline of the priorities of the party's programme. Addressing the committee of the TSSA, the railway staff union, Mr Hattersley will set out a spending framework for public spending which sets out the party's objectives in industry, health, education and housing.

"We will set a nationally calculated ceiling on public borrowing, drawing up a national balance sheet and setting targets for the ratio of public debt to national income."

A Labour government would, he will say, "insist that the public expenditure and borrowing targets are maintained and that nothing allows us to be deflected from our central task of getting Britain back to work."

As soon as it was elected, a Labour government would publish a policy statement on the "medium-term economic strategy" as distinct from the present Government's financial strategy. This would describe the way in which jobs could be created.

Mr Hattersley's comments came at a time of criticism by some members of the party's National Executive Committee about policy-making by the shadow Cabinet without adequate consultation.

Advertisement for Montedison bonds. Includes logo, company name, notice to holders of 10% 1985-1992 SELM-M.E.T.A. Special Series Bonds, conversion date July 1, 1986, and list of authorized banks in Italy, Europe, and Switzerland.

The more detailed proposals published yesterday - and explained to Stock Exchange member firms at a meeting last night by Mr Lawson - would allow small amounts of money to be invested in unit trusts and investment trusts rather than in the shares of trading companies.

The Unit Trust Association, which is to discuss the proposal with Treasury ministers and officials on Thursday, argued that unit trusts were the most effective way for a small investor to spread his risks across many shares. Higher-risk investments, considered unsuitable for small investors, are ruled out by the new proposals. Those include shares quoted on the Stock Exchange's Unlisted Securities Market, which is a second-tier market for smaller companies, shares in foreign companies and options and futures.

Small investors will be allowed to build up their investment in a personal equity plan by paying monthly instalments for up to one year, during which period interest may accumulate tax-free, before the money has to be invested in shares. By contrast, investors who already own large shareholdings will not be permitted to transfer them directly into a Pep. Investments will have to be made in the form of cash payments.

Investors will also be allowed to hold small amounts of cash, of up to £500, in their Peps on a continuing basis and may hold larger amounts for short periods in between the sale purchase of shares. All the Peps will be administered by managers who will have to be authorised to carry on investment business under the financial services legislation now passing through Parliament. Employers will also be permitted to act as plan managers. The Stock Exchange said last night that it was surprised that USM companies were to be excluded from the scheme. "The USM is a fully regulated market," it said.

Unilever Results
The Directors of Unilever announce the unaudited results for the first quarter of 1986

Table showing Unilever Combined Results on an Historical Cost Basis (£ millions). Columns include Turnover, Operating Profit, Profit Before Taxation, Profit Attributable to Shareholders for 1986 and 1985, with percentage changes.

COMMENTS
This was an excellent quarter with earnings per share up 24% on the first quarter of 1985 (at comparable rates of exchange) even though that quarter benefited from two special items. These were the incorporation of Brooke Bond's fourth quarter 1984 results and the profit on the sale of a French trade investment.

and capital gains made on fixed income securities as a result of falling interest rates. The lower taxation charge includes the effect of the reduction in the rate of UK Corporation Tax.

The principal factors behind the increase in profits were improved margins in Europe, significantly improved financial items and a lower rate of taxation. We are confident about 1986 as a whole. However, it is unlikely that the rate of improvement in earnings per share achieved in the first quarter will be maintained over the next nine months.

At end March exchange rates the increase in profit attributable is 28% in sterling, 25% in guilders and 31% in dollars.

RESULTS
Underlying sales volume was fractionally higher. Excluding the extra quarter of Brooke Bond, sales value was some 7% down. Disposals end lower selling prices accounted for this reduction. Operating profit was up by 2% and by 1% without the Brooke Bond effect. In Europe operating profit was 7% above the first quarter of 1985. The results from our food businesses improved, with marked increases in profit from edible fats and tea. One exception was frozen products, where increased competition in quick frozen foods reduced results. Detergents and Personal Products reported significantly increased profits.

Table showing Supplementary Regional Information (£ millions at end 1985 exchange rates). Columns include Turnover, Operating Profit for Europe, North America, Rest of the World for 1986 and 1985.

NOTES
Exchange Rates
The results for the quarter and the comparative figures for 1985 have been translated at comparable rates of exchange. These are based on £1 = Fl. 4.00 = U.S. \$1.45, which were the closing rates of 1985. An exception has been made for the results which have arisen in hyper-inflationary economies, which for the current quarter have been translated at forecast closing rates for 1986. The profit attributable to shareholders for the current quarter has

also been translated at the rates of exchange current at the end of March 1986 being based on £1 = Fl. 3.87 = U.S. \$1.48. Brooke Bond Group plc
The sales and operating profit of Brooke Bond for the fourth quarter 1984, were taken up in Unilever's results for the first quarter 1986. This amounted to £288 million and £17 million respectively. The operating profit was after deduction of the finance costs incurred in 1984 by reason of the acquisition.

Advertisement for Danish companies. Title: "What's special about these Danish companies?". Lists companies like ABN Bank Copenhagen, Danisco, etc. Text: "They are all regular readers of the FINANCIAL TIMES • European Edition". Contact: K. Mikael Heiniö in Copenhagen. Phone: 01-13 44 41.

Halifax to cut investment interest rates

By Nick Bunker

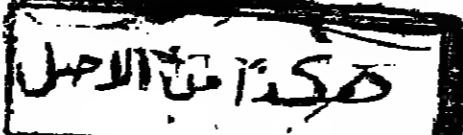
THE HALIFAX, the biggest building society, has broken ranks with its leading competitors and announced a cut in interest rates paid to investors. The move came three weeks after the large societies cut their mortgage rates for new borrowers to 11 per cent.

Investors' rates paid by the Halifax have been ranging from 6 per cent to about 6.5 per cent. It said yesterday that, from June 1, interest rates on most of its accounts would be reduced by 0.75 percentage points, bringing the ordinary share rate down to 5.25 per cent. Other big building societies have not yet announced new investors' rates, in spite of preliminary figures from the Building Societies Association showing that societies attracted increased net deposits of about £700m last month, up from £657m in March.

The Woolwich Equitable said no decision had been taken yet. The Nationwide - which led the last round of mortgage rate cuts on April 18 - said it might wait until next week before setting its new rate for investors.

The delay in fixing the investors' rates reflects continued uncertainty among building societies about the trend in bank base rates,

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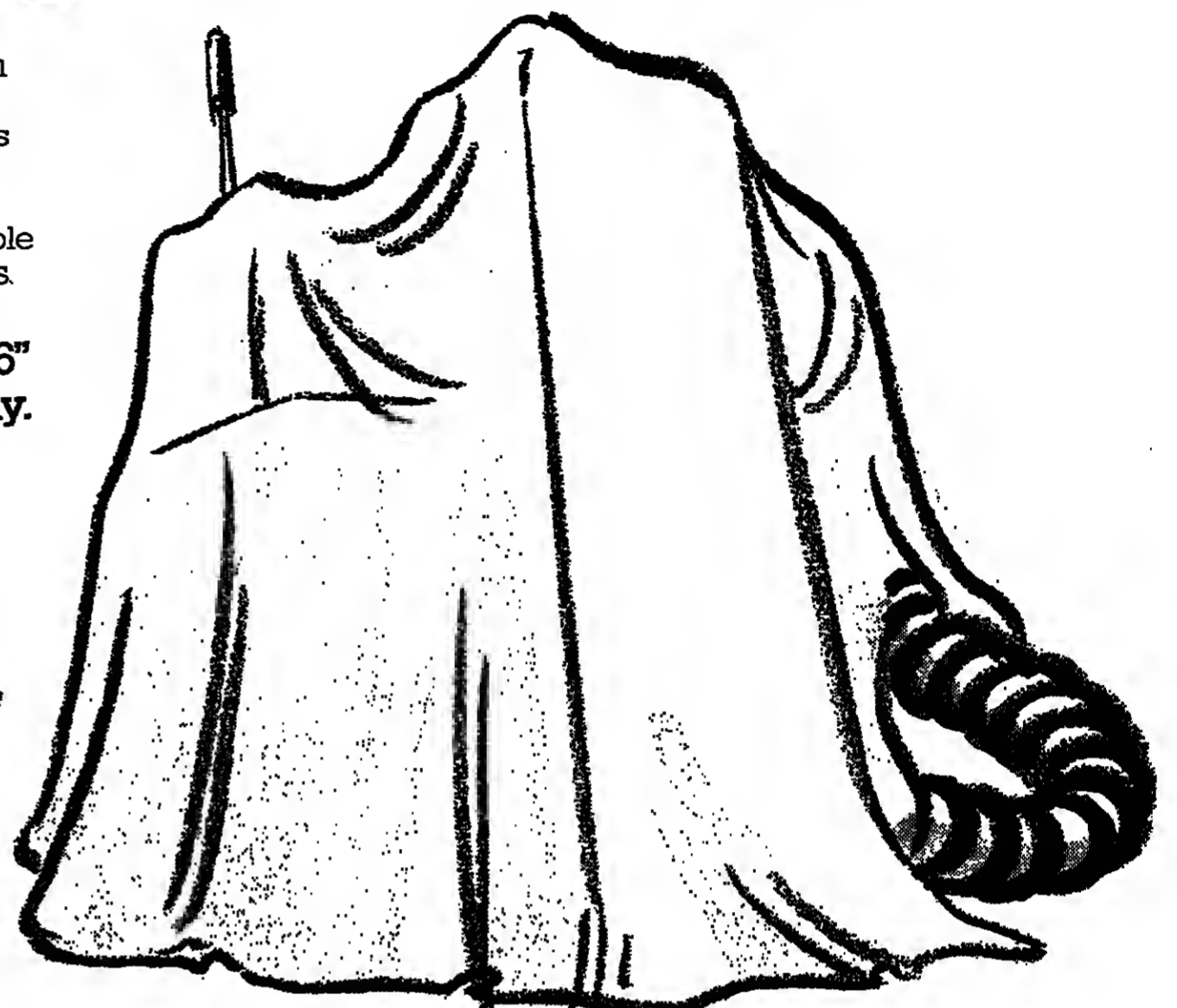
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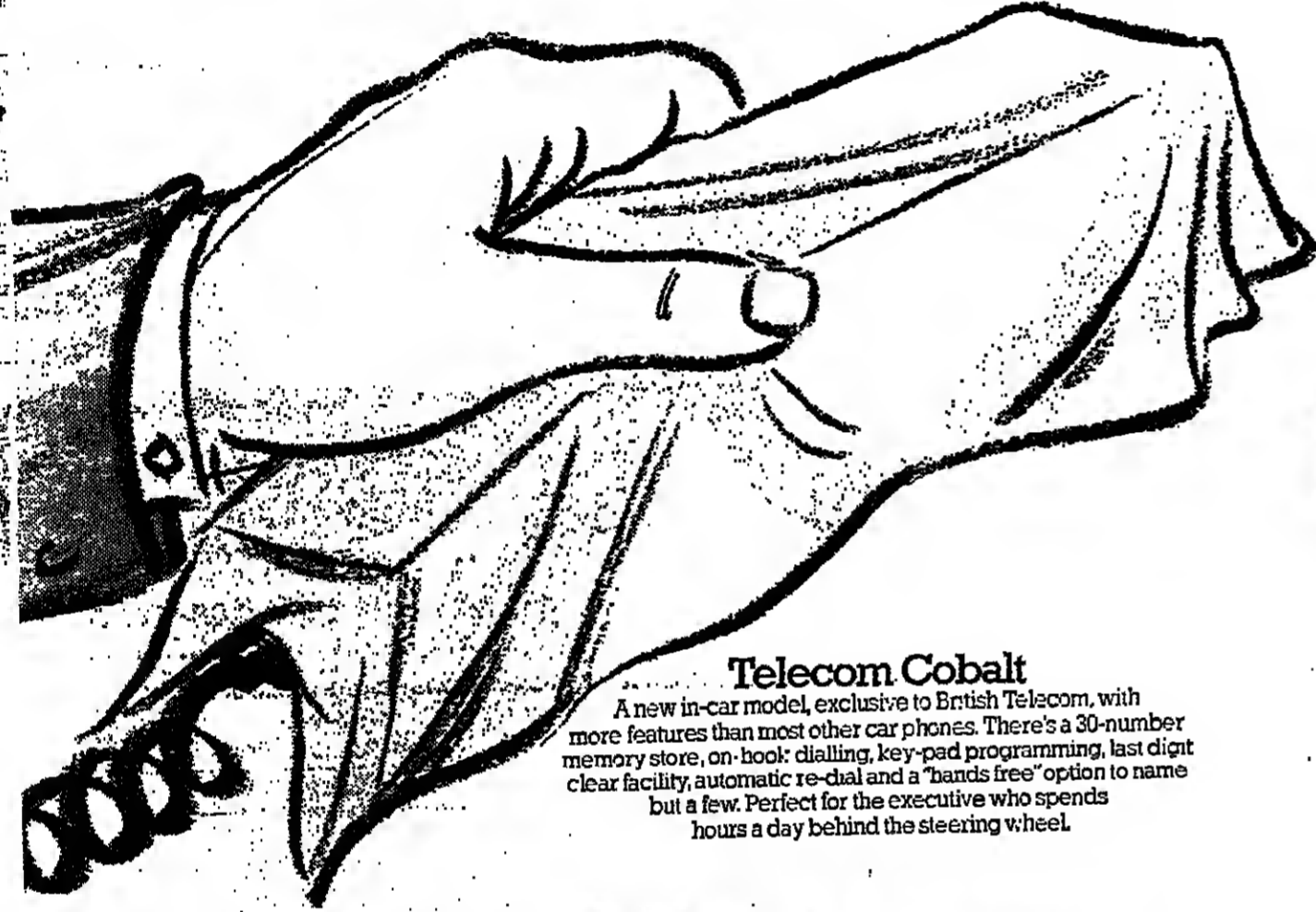
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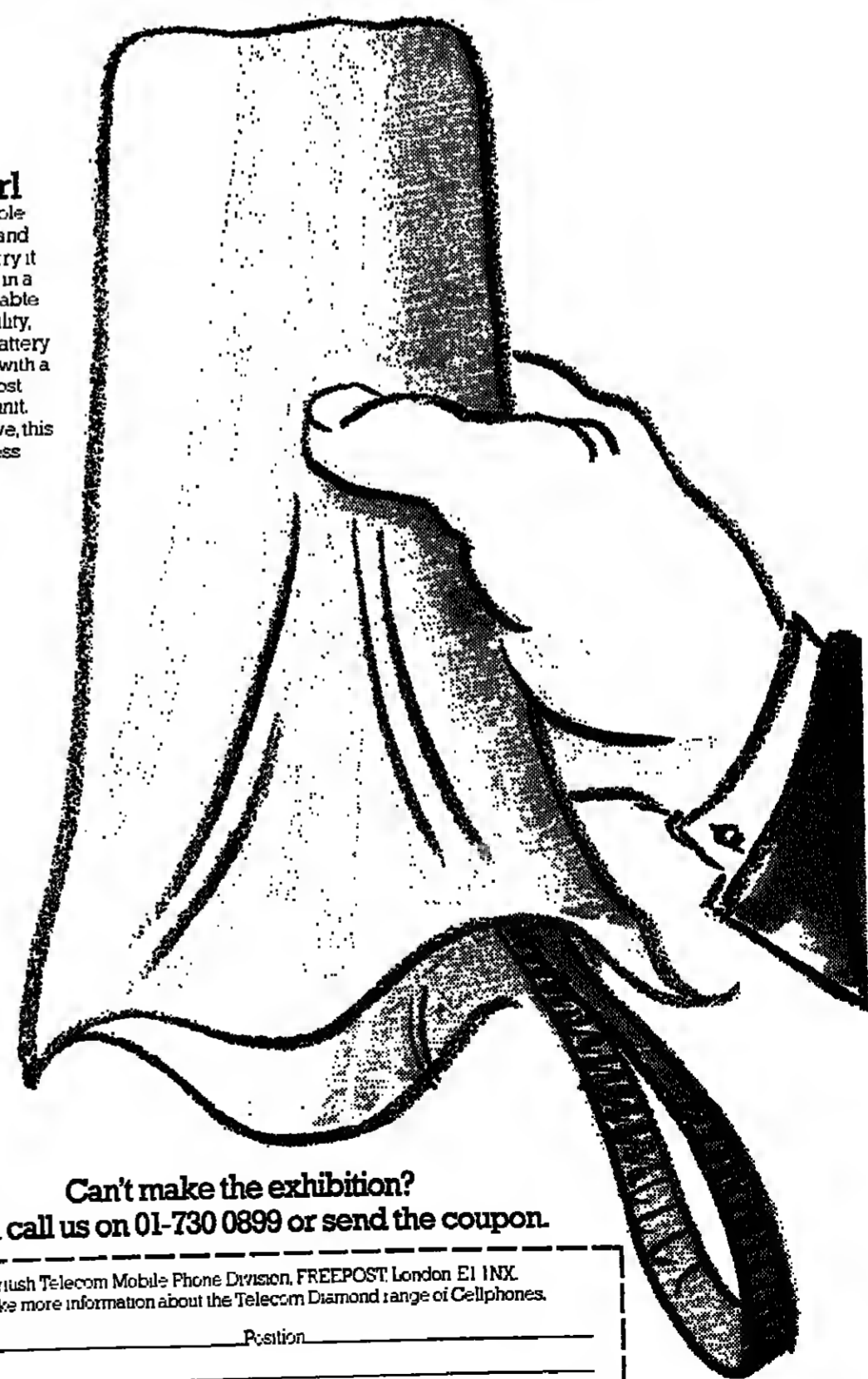
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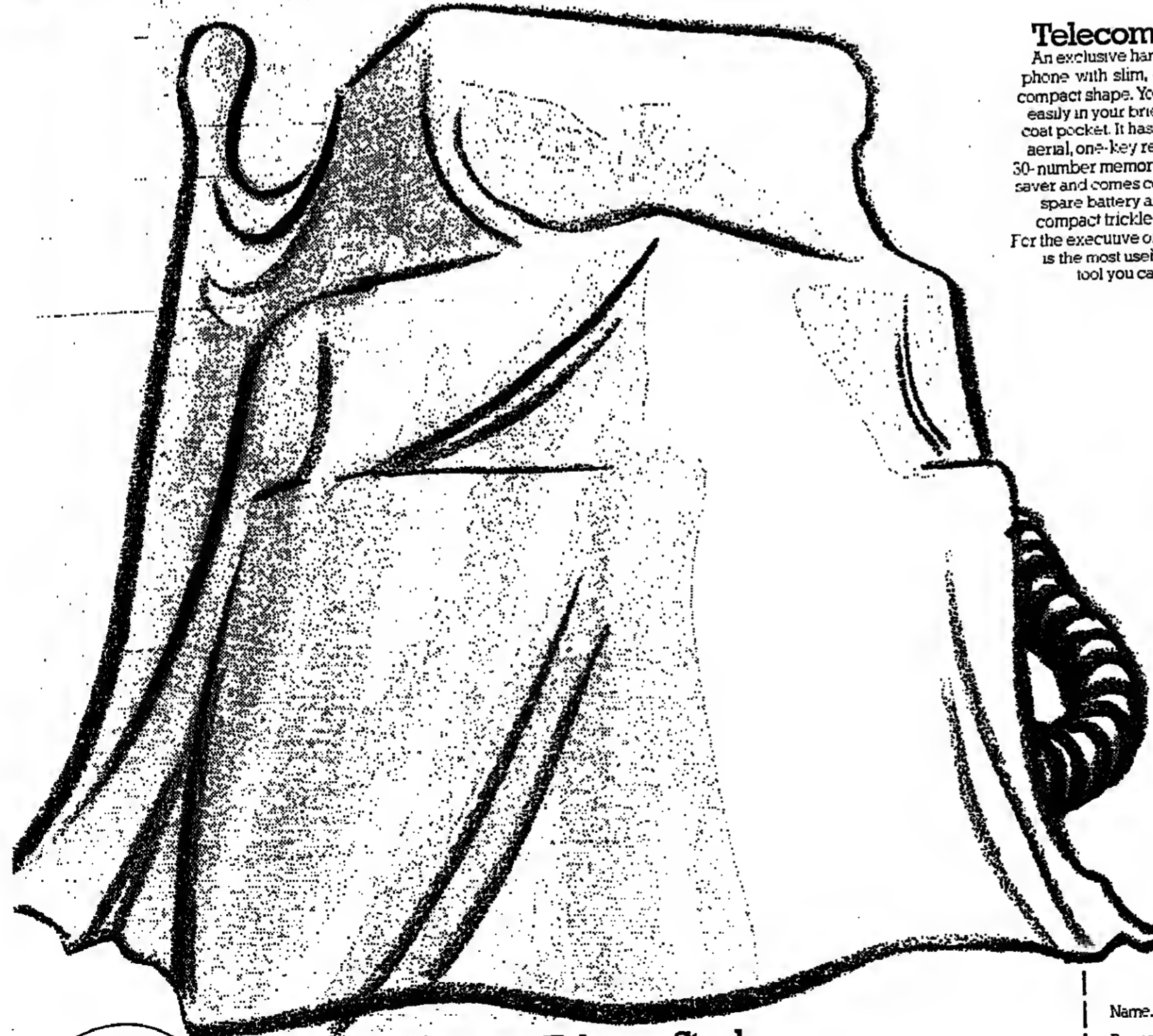
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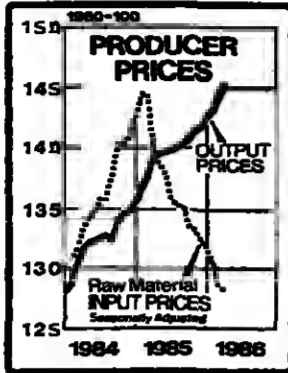
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UK NEWS

# Rise in factory prices lowest for 14 years

BY WALTER ELLIS

FURTHER indications of the falling trend in UK inflation came yesterday with the publication of producer indices for April showing a rise in factory prices lower than at any time for the last 14 years.



Manufacturers' output prices, taking into account labour costs, profit margins and other overheads, went up by 4.5 per cent in the 12 months to the end of April, against 4.9 per cent for the year to March.

At the same time, manufacturers' costs, reflecting raw materials and energy prices, moved down by 9 per cent in the 12 months to April after an annualised fall to March of 10.9 per cent.

This year's sharp reductions in oil prices have had a clear impact on both sets of figures and the overall decline of the dollar, in which most commodities are priced, has also had its effect.

The retail prices index for April is to be published on Friday and, partly as a result of the improvement in producer prices, it is expected to show a fall in the annual rate of inflation to about 3.5 per cent, the lowest since 1988.

Between March and April of this year, the index of output prices rose

by 0.8 per cent. According to the Department of Trade and Industry, just under half that increase is attributable to changes in tobacco duties introduced in the March budget.

Input costs to industry dropped between March and April by 1.3 per cent, a figure said to reflect a seasonal decline in the cost of industrial electricity and lower costs of imported materials. Seasonally adjusted, the costs index fell between March and April by 0.5 per cent and by 8.8 per cent for the 12 months.

# More small-business loans urged

BY IAN HAMILTON FAZEY

THE GOVERNMENT is so concerned that the big four clearing banks are not advancing enough money to small businesses under the revamped loan guarantee scheme that it is to ask them to advertise it nationally and step up approvals eightfold.

Mr David Trippier, the Minister for Small Businesses, began a tour of the banks by meeting Lord Boardman, the National Westminster chairman, yesterday. He will be seeing the other banks during the next few weeks. He wants approvals for business

loans under the scheme to return to 400 a month as soon as possible. That was the peak reached three years ago when the Treasury insisted on changing the rules to cut the losses it was causing the Government. The rate of take-up fell to 50 a month.

Under the scheme, the Government now guarantees 70 per cent of loans (it was originally 80 per cent) to risky new ventures, but a premium is charged to deter careless borrowing. The premium above commercial rates was raised to 5 per cent but has now been dropped to 2.5 per cent.

There has been little sign yet of the changes having the desired effect. Mr Trippier said yesterday: "People at the top of the banks know all about the new rules - they were very worried we might drop the guaranteed portion of the loan to 60 per cent - but bank managers down the line probably do not and awareness is low among potential borrowers."

"We want to see the scheme publicised in the banks' national advertising so that small business people will go and ask their bank managers about it," he added.

Among the banks, NatWest has always been the most enthusiastic about the loan guarantee scheme, advancing more under it than all the other banks put together. If Mr Trippier persuades Lord Boardman alone, he will have already won half the battle.

Mr Trippier's actions reflect the Government's belief that the only way to create jobs in significant numbers before the next general election will be through encouraging faster growth of small business. He reaffirmed that earlier yesterday when launching a new type of small business fund in Leeds.

# Unionist leader admits Ulster talks stalemate

BY OUR BELFAST CORRESPONDENT

MR JAMES MOLYNEUX, the leader of the Official Unionist Party (OUP), admitted yesterday that Unionists and the British Government had reached stalemate over the Anglo-Irish agreement. He conceded that the Unionists' withdrawal from "talks about talks" with UK officials meant that undemocratic protests and violence might increase.

Speaking at his party's weekly press conference in Belfast, he said: "I believe that the two governments should declare their hand honestly and admit they are prepared to run

Northern Ireland through a joint commission and that elections of any kind and ejected representatives are obsolete."

He blamed the Government for the collapse of talks and said that Mr Tom King, Northern Ireland Secretary, had put the Unionist leadership in an intolerable position by saying on Friday of last week that the agreement would not be suspended to allow for negotiations.

Mr King flew to Washington on Sunday for talks with the US Administration

# London offices 'among world's most expensive'

BY ANDREW TAYLOR

EXECUTIVE SALARIES and wages of office staff in London are lower than in many international centres, although the cost of office accommodation in the capital is among the most expensive in the world, according to a new survey by The Economist Publications.

The survey shows that the cost of office property in London is second only to New York, which it says is the most expensive office location of the 18 centres monitored. Geneva is the second most expensive location on overall costs, according to the study, with Paris and Frankfurt

in third and fourth places respectively.

The survey includes the cost of salaries of a head of department and bilingual secretary as well as the cost of premises and a 1800cc company car. Despite the high cost of property, London, particularly in the City, is only in twelfth place on total costs. That reflects the lower salaries paid to executives and office staff.

International Transfers: 0275 Economist Publications, 40 Duke St, London W1A 5DW.

# Kodak to shed 900 workers as part of global rationalisation

BY LISA WOOD

KODAK, the British subsidiary of Eastman Kodak of the US, announced yesterday that about 900 of its workforce of 7,500 in Britain would lose their jobs by the end of the year.

The move follows a directive this year from the troubled US parent that 10 per cent of its global workforce of nearly 120,000 must be cut.

Kodak said the UK redundancies would cover all levels of the organisation but it gave no geographical breakdown of where the job losses would be. Kodak has four main centres of employment in Britain. They are Harrow in north-west London, where film and paper for the UK and the European continent are manufactured; Hemel Hempstead, the head office; Kirkby, near Liverpool, the chemicals factory; and Annesley, Nottinghamshire, where films are put on spools and packaged.

The company said some of the job losses would be achieved by the sub-contracting of a number of services previously performed by Kodak such as gardening and catering. "The job reductions will be achieved on a voluntary basis where possible."

Kodak said savings would be used in the financing of future investments. "The business base of the company will continue to be broad-based to take account of changes in markets, customer needs and technology," it said. During the last few years Kodak has entered several new areas of operation, including the sale of photocopiers and medical equipment.

# Deadline eased for data registrations

BY RICHARD EVANS

COMPUTER USERS who have not yet registered under the Data Protection Act, and are therefore technically in breach of the law, have been given a reprieve until mid-July.

The deadline for registration by all organisations, companies and individuals in the UK that use computers to store personal information was on Sunday. Only about 110,000 had applied for registration out of an estimated total of at least 300,000.

Mr Eric Howe, Data Protection Registrar, said yesterday that in view of the last-minute rush - more than 50,000 registrations were received in the last week and more than 250,000 registration packs have been issued - he proposed to leave a review of the situation until the second week of July, when he would present his annual report to Parliament.

The Registrar also announced the launching of a series of research projects to re-check the estimate of 300,000 for the number of applications, to study how the exemptions allowed by the legislation were working in practice, and to the level of difficulty and cost associated with registration, particularly for small organisations.

"It is important to remember that the Act creates significant new rights for all of us and inevitably it places some obligations on computer users. At present, the obligation to register is significant to computer users but for individuals, all the benefits of the Act have not yet begun to flow," Mr Howe said.

Users of personal information who fail to register are liable to fines of £2,000 by magistrates and unlimited fines by higher courts.

# BOC to invest £20m in Japanese gases plant

BY TONY JACKSON

BOC, THE industrial gases company, is to invest £20m in an air separation plant in Japan. The equipment, constructed at BOC's Cryoplants factory in North London, is being shipped to Osaka Sanso, the Japanese industrial-gases company controlled by BOC since 1983.

The plant, at Amagasaki, in central Japan, has a capacity of 900 tonnes of liquefied gases - oxygen, nitrogen and argon - a day, and replaces an older 150-tonne plant. It will supply a range of customers from frozen-food to electronics companies.

Osaka Sanso is Japan's third-largest oxygen producer. BOC said the market for industrial gases in Japan was still undeveloped, with nitrogen consumption only equal to that of oxygen. In the US and UK, three times as much nitrogen as oxygen is used.

BOC said it had been working for five years on reducing the capital and operating costs of its air-separation plants, on the principle that the key to market expansion was lower cost to the customer.

Mr Paul Charlesworth, head of BOC Cryoplants, said prices for the equipment made by the division had scarcely moved over five years. In addition, recovery of argon - much the most valuable of the gases recovered from the atmosphere - had been improved, and the energy used in liquefying the gases had been reduced.

Although BOC is one of the two largest producers of industrial gases in the world - the other being L'Air Liquide of France - it is in the second rank as a producer of air-separation equipment. The two largest suppliers are L'Air Liquide and Linde, the German company.

# Minister says schools create 'unemployables'

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

MANY of Britain's schools are turning out "dangerously high quotas of illiterate, innumerate and delinquent unemployables," Mr Geoffrey Pattie, Minister for Information Technology, said yesterday.

Mr Pattie said that British industry was an important customer of the state education service and, although it met a large share of the costs involved, it was not getting good value for money.

His comments come in advance of a ministerial reshuffle due to follow Sir Keith Joseph's impending retirement as Education Secretary. Mr Pattie is considered to be among the contenders for Sir Keith's job or he might take one of the posts arising from the limited reshuffle.

Mr Pattie said that, in some parts of the country, employers were desperate for young workers who could be taken on and trained, but they

were finding that the products of the state education system were totally unsuitable.

In the middle and upper reaches of the educational system, he added, were also failing to produce technically and technologically trained young people capable of matching the standards reached in West Germany, France, Japan and the US.

Mr Pattie said that a century ago Britain led the world in educational standards, but now it was lagging well behind. Part of the answer, he said, lay in stimulating a revival, generated by engineers and technocrats, of the type that accompanied the industrial revolution. He added: "When we try to train people for jobs in industry, we are in great danger of producing human robots whose skills will soon become out of date: specialists in the obsolete."

# Early-retirement deal

BY DAVID BRINDLE

THE GOVERNMENT is expected shortly to announce a comprehensive package of voluntary severance terms to encourage early retirement by older civil servants.

The measures are likely to give the 800,000 white collar and industrial civil servants for the first time the right to take premature retirement. At present, they can leave only at management's discretion. Also expected is provision for staff to retire as early as age 50 - although in some cases that would be on the basis of reduced pension entitlement.

The measures come against a backdrop of a shrinking Civil Service and the need, expressed by departmental managers, for a more flexible framework of voluntary severance provisions.

Discussions with the Council of Civil Service Unions have been proceeding since last December. In them the Government accepted that civil servants should have more control over their retirement date at a time when there was a general trend towards a shorter working life.



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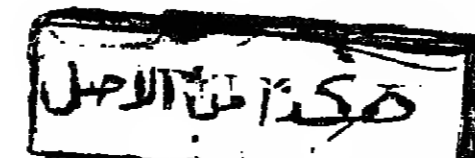
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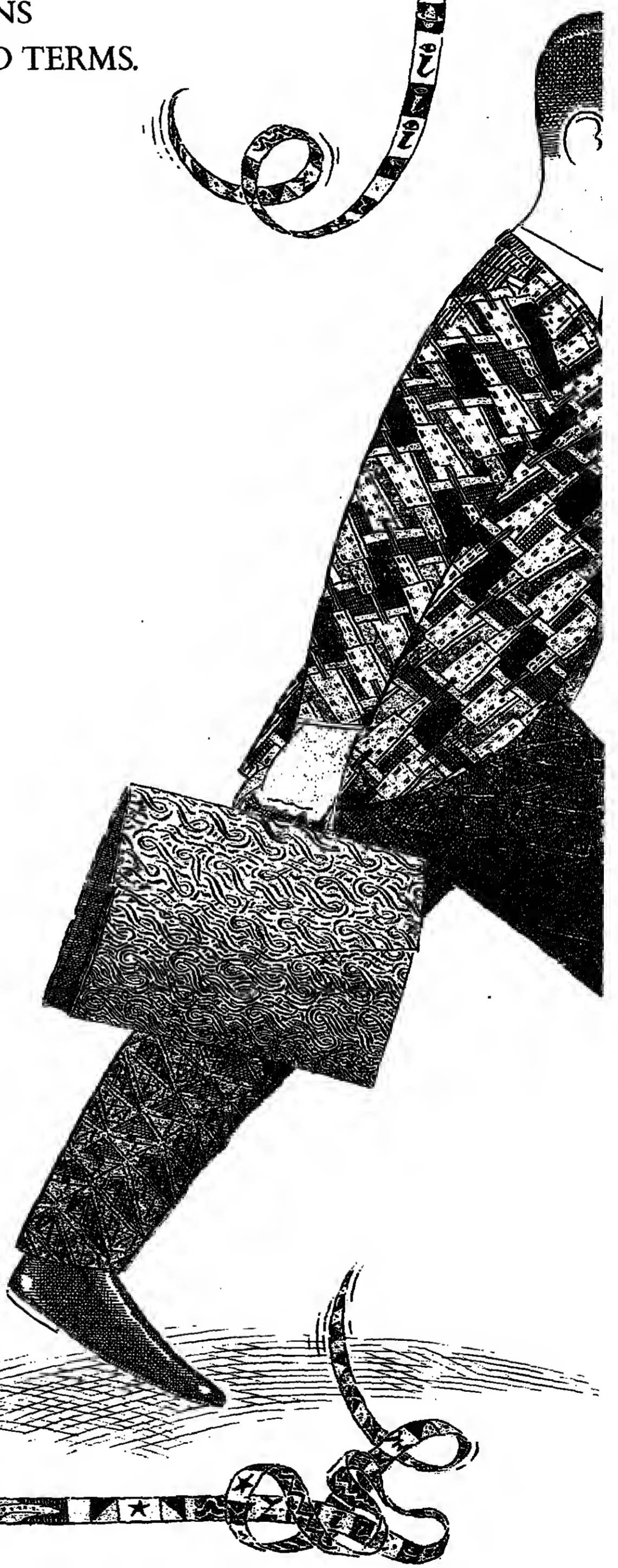
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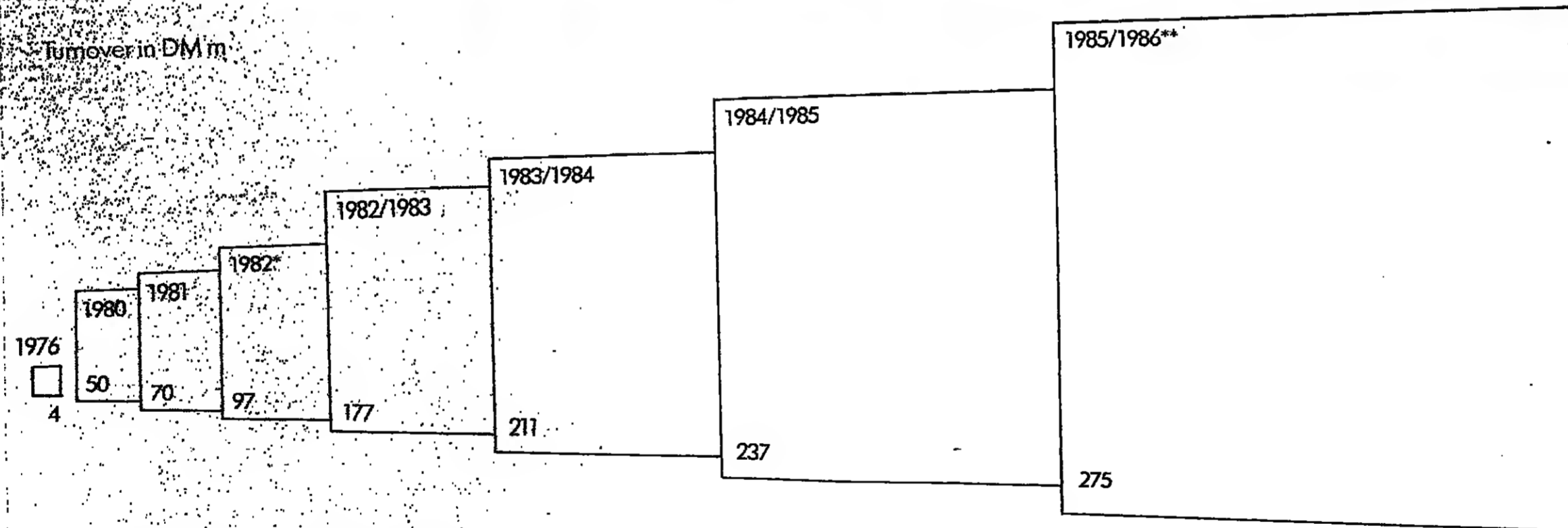
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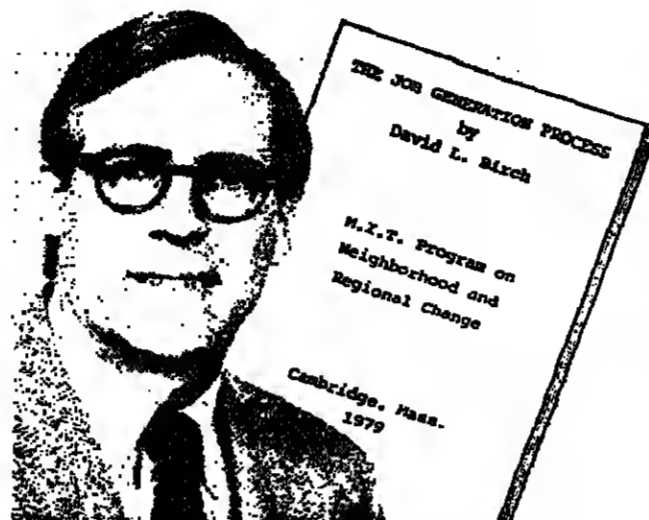
THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Why Birch branched out on his own

WHEN David Birch started an academic study of the migration patterns of US businesses, 12 years ago, he had little idea that this apparently unrelated subject was to lead him into a political minefield.

William Dawkins finds that the author of the US report which catapulted small business into the political arena is discovering the validity of his findings



employment in the seven years to 1976, a figure which Birch now says has since risen to more like 100 per cent.

In brief...

THE experience of the Newcastle Youth Enterprise Centre since its establishment a year ago are to be the principal subject of discussion at a seminar to be held on June 20 in London.

Programmed to find winners

Ian Hamilton Fazey reports on an aid for assessing the feasibility of ventures

A COMPUTER program designed to test whether a would-be entrepreneur has the ability to succeed in business has been developed at the Manchester Business School.

Dr Tudor Richards, the business school's director of creativity programmes, is behind the project, which was funded by a £10,000 gift from stockbrokers Phillips and Drew to the now defunct Greater Manchester Council.

The program puts the would-be entrepreneur through a battery of questions with multiple choice answers. They question their commitment, access to resources, and market awareness, while searching for the time for inconsistencies in the answers.

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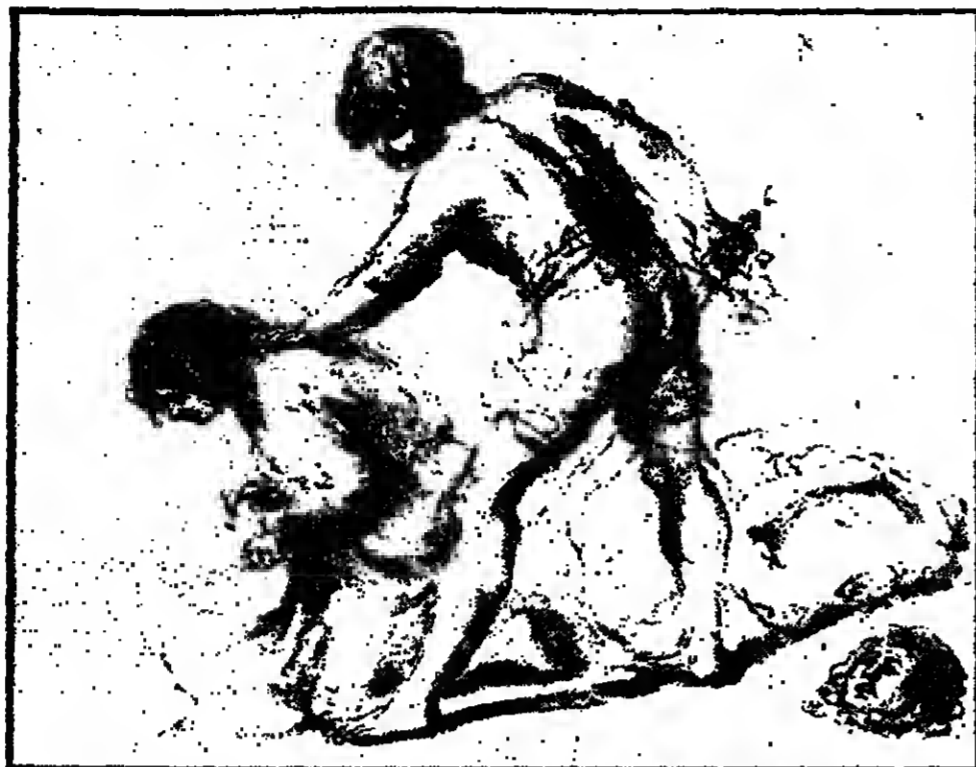


THE ARTS

Ashmolean, Oxford/Patricia Morrison

Insight on a virtuoso draughtsman

Following on from its highly successful exhibition of Impressionist drawings, the Ashmolean Museum in Oxford has mounted a remarkable exhibition of the drawings of Guercino (1631-1666), until June 22.



Guercino's Executioner, one of the drawings from Denis Mahon's collection

A few are jokes: a devil rushes with a pitchfork at the midriff of a manacled youth, and Guercino's friend, the unshaven Friar Bisi, checks the hour-glass as he cobbles together his sermon.

He must shake off his vigorous, dramatic, dark style, which would lose him some patrons since it smacked of Caravaggio, a now fading star in the Roman firmament.

They will also be indebted to Denis Mahon for his scholarship, which has done so much to rescue seventeenth-century Italian painting from its neglect.

Certainly, Guercino could be bought for a bagatelle then compared with today, but what counted was Mahon's consistency which led him to the best.

English music/Brighton Festival

Paul Driver

St Bartholomew's Brighton—the tallest parish church in the country and an example of Victorian Gothic—guaranteed to devotee and listener alike.

than one realised that the acoustics of the church virtually precluded further listening. The sound was a thunderous, reverberant blur, both very present and very remote, devoid of detail and colour.

One obvious measure of its debility and enervation is the brittle spring of the two works, which are comparable in size, treatment and subject matter, yet when the third of Lambert's seven continuous movements—a "Coranto" setting of Nash's "Spring"

Most of the masque's music is just notes: the dully mellifluous counterpoint of the *Litania*, the English anonymity of style in *Brawles*. The orchestral burlesque "King Pest" was a no-experience. Only in the final *Saraband*—a setting of Nash's greatest poem ("Adieu, farewell earth's bliss")—does Lambert animate his score and discover anything like a memorable musical image.

Valerie Masterson/Wigmore Hall

Richard Fairman

"The delicacy and refinement of a Manon should be a delight in recital. Over the past 15 years the soprano Valerie Masterson has taken on a wide range of roles at English National Opera, her home base, but it has invariably been the French repertoire that has won her the highest praise.

Only with the interval and a change of dress from baroque silver ruffles to plain blue) did she hit her best form.

matched, as they were in the cradle-like "Sérénade" to Graham Johnson's hushed, hypnotic accompaniment.

Marjona Lipovsek and Kurt Moll. Carmen features Elena Obrazzova, Angela Maria Blasi and Cornelia Mungu. *Egipe Dams*, sung in Russian, has Elena Obrazzova, Natalia Troitskaya and Vladimir Atlantov in the main parts. (21831).

Mumbo-Jumbo/Manchester

Martin Hoyte

Robin Glendinning's play took joint first prize in the 1985 Playwriting Competition last December, and is the first of the six winners to reach the stage at the Royal Exchange, Manchester.

ground shows to advantage in portraying the boys' half-mocking tolerance of their masters, and in such oddities as the headmaster's wife, the traditional heartiness of her kind lopping into dotness.

In fact, the first half is highly promising. To flashing lights and the sound of babel, the bare stage is suddenly peopled by running boys pushing their desks before them—the genuine article, courtesy of Repton—and transforming the Royal Exchange arena into a classroom.

The friendship between the politically sceptical Dunham ("we have no history here") and Creaney, the fanatic Orangeman in embryo, forms the play's pivotal relationship.

Nicholas Hytner's production exploits the theatricality of Vachel Lindsay's poem. The Coogo, its mesmerising rhythms chanted by the boys, a threatening leitmotif throughout the action with its ominous parallels to the brainwashed local tribalism: "Mumbo-Jumbo, God of the Congo, Mumbo-Jumbo will hood-dee you!"

Stephen Rea (left) as Brendan Bracken, with Kate O'Toole, in Thomas Kilroy's "Double Cross," Field Day's touring production which has just opened at the Royal Court.



Stephen Rea (left) as Brendan Bracken, with Kate O'Toole, in Thomas Kilroy's "Double Cross," Field Day's touring production which has just opened at the Royal Court.

Tannhäuser/Geneva

Andrew Clark

In an age when Wagner seems to be interestingly the preserve of stage directors, it is a rare experience to come across a major new production in which the quality of singing over-rides all other aspects of the performance.

music dramas than the music. Even the astute casting, it was puzzling that the theatre management should entrust such a prestige production to the relatively inexperienced hands of Mariba Galvin, who was Ken Russell's assistant on film and opera sets for two years before joining the Grand Théâtre's production staff last year.

costumes, reminiscent of medieval pageantry, were more relevant than his decor, which set the Wartburg valley scenes on an anonymous series of curved platforms and depicted the Wartburg ball as a wooden grandstand.

English music/Brighton Festival

Paul Driver

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Philharmonia/Festival Hall

David Murray

Sunday's concert by Simon Rattle and the Philharmonia, the second in their modern French series *Après l'Après-midi*, was as ingeniously planned and executed as the first. This time there were no repertoire pieces but Ravel's *La Valse*, which made a sizzling conclusion to the evening. It was super-heated rather than super-charged—Rattle here with an unusually urgent, moaning throbb, and drove through to an orgasmic show-down without lingering over Ravel's more exquisitely decadent details—but it worked.

with style and fervour, without persuading us that "La Vague et la cloche" was a fair choice for her voice, temperament or sex. "Le Manoir de Rosemonde" just about succeeded, and the "Chanson triste" and "Au pays où se fait la guerre"—much apter for her—were beautifully subtle and assured.

NOTICE OF REDEMPTION TO THE HOLDERS OF The Long-Term Credit Bank of Japan Finance N.V. Guaranteed Floating Rate Notes Due 1992. NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated May 23 1983 between The Long-Term Credit Bank of Japan, Limited and Manufacturers Hanover Trust Company as Fiscal Agent, \$50,000,000 principal amount of the above described Notes are called for redemption at their principal amount on May 30, 1986.

Arts Guide Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, A selective guide to all the Arts appears each Friday. May 9-15. OPERA AND BALET PARIS La Fille du Régiment alternatives with Ballet. School's Soirée, chœur, graphed by Claude Bessy and Vincent Gallozzi at the Opéra Comique (4298 0511).

Saleroom/Antony Thornicroft Not to European taste After its tremendous success 1922, sold for £78,571, while in selling the rather second rate 18th century Chinese export porcelain, uncovered by Captain Hester from the depths of the South China Sea, for £10m in Amsterdam two weeks ago Christie's came down to earth yesterday when it had great difficulty in disposing of an important collection of Chinese ceramics. The morning session totalled £76,883, with a very high 60 per cent bought in.





South Africa's political future

The chance that Botha may have to take

By Anthony Robinson in Johannesburg

THE Commonwealth Eminent Persons Group arrives in South Africa today for its latest round of discussions about the country's political future...

restored a civilian government. At the same time, it was to be topped by the army in December 1984. For a South African government... There are a number of... In the event of such a... made any kind of assessment...



Gen Obesegun Obasanjo (left): a key figure in the Eminent Persons' Group with another member, Ma Ismail Fraser

knows it. So does the ANC. There is a risk that the release of Mr Mandela and others, far from reducing violence...

woman on law and order, brought back from a two-hour visit she made to Mr Mandela in Pollsmoor prison earlier this week...

Mr Botha claims that 63 per cent of the ANC executive council elected at its last congress in Kabwe, Zambia last June are members of the South African Communist Party (SACP)...

Lombard

Misgivings of a meltdown man

By Nicholas Colchester

THE CONTEMPORARY impact of the sinking of the Titanic in 1912 was measured in more than 1,500 lives. The disaster was perceived as a reminder that a century of industrial progress had not tamed nature...

Were the night-shift at Chernobyl routine maintenance men? Or were they pioneers out at the ragged edge of man's competence? They and the rest of the world were shattered to find how suddenly they became the latter, when the instruction book no longer had any answers...

Gas reserves estimates

From the Director, Rotterdam Centre for International Energy Studies. Sir, J. Stern (May 7) to an even greater extent than your Energy Correspondent's initial comments on the 1986 Brown Book...

Letters to the Editor

made any kind of assessment in spite of the high and increasing degree of interest in the prospects. (Professor Dr) P. R. Odell, Postbus 1738, 3000 DR Rotterdam.

Heroes of the USSR

From Mr J. Warren. Sir—There is one group of people who deserve our unreserved respect, admiration and even awe if we can summon the courage to reflect on their plight. I am thinking of the helicopter pilots and fire fighters struggling with the reactors at Chernobyl...

Nuclear power and risk

From Mr J. Warren. Sir—Apparently the unthinkable has happened. Or has it? Many have thought the Chernobyl disaster not only possible, but likely...

posed that around £60m in financial balances, over and above what is agreed to be a reasonable working balance for the council, should be returned immediately to the ratepayer...

Undoubtedly most industries involve risks for those working within them. Civilised opinion insists however, that these should be minimised, contained and that the people involved should have the choice of leaving...

Cheshire's rates. From the Vice Governor, Eastern Province, Saudi Arabia. Sir—I was pleased to read Michael Field's objective report on the progress and development of Saudi Arabia (April 21)...

Shia citizens of Saudi Arabia. From the Vice Governor, Eastern Province, Saudi Arabia. Sir—I was pleased to read Michael Field's objective report on the progress and development of Saudi Arabia (April 21)...

'ICL made good progress in 1985'

PETER L. BONFIELD, Chairman

- \* ICL benefited from the strategies implemented in preceding years and has continued its leadership in promoting Open Systems standards for information systems. \* New products, many arising from collaborations, came on stream. Increased volumes were handled by new distribution channels. \* The effects of staff and management training programmes were reflected in our ability to manage the business in turbulent market conditions.

Table with 3 columns: RESULTS IN BRIEF, 1985 £m, 1984 £m. Rows include Turnover, Profit before Tax, Return on Capital employed, and Turnover per employee (£).

ICL IS A MEMBER OF THE STC PLC GROUP We should be talking to each other. ICL







THE PRODUCTIVITY BOOSTERS

# SANDVIK: OUR PERFORMANCE CONTINUES TO SOAR.

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We may be Swedish in origin but we are international at heart. We have subsidiaries in more than 40 countries and over 90% of our sales come from overseas operations.

For the present year, we foresee a slower growth in world demand but profits maintained at the same level as in 1985.



SANDVIK AB, S-811 81 Sandviken, Sweden.

## INTL. COMPANIES & FINANCE

# Irish software industry attracts global interest

BY HUGH CARNEGIE IN DUBLIN

WHEN MSA, a leading US software concern, announced last month that it was to take over Real Time Software (RTS), it capped an impressive success story for the Irish company and was something of a landmark in the young but fast-growing Irish software industry.

It was no surprise that the press release announcing the deal included a welcoming comment from the Irish Industrial Development Authority (IDA), which was a key early backer of RTS and which has gone to some lengths to establish a software industry in Ireland.

RTS, with a turnover last year of 165m (\$8.4m), grew from a fragile start in 1980 by four men gambling with second mortgages. Six years later, nurtured by IDA aid of some 15,500,000, it is an international company employing 160 people in eight countries with customers in 21.

Under the direction of Mr Maurice Spillane, a former accountant with Braun, the West German appliance group, RTS forged success by making manufacturing and financial packages, mainly for IBM mini-computers.

Its top products are Probits, a comprehensive manufacturing package for the chemical and pharmaceutical industry, and Spectra, a financial package that includes multi-language and multi-currency facilities as well as coping with the different tax regimes of countries as diverse as Switzerland and Brazil.

Customers attracted to RTS products include Beechams, ICI, Colgate, Allied Breweries and General Foods.

RTS had attracted investment of 10m from the venture-capital company 3I, but by late last year was in

need of greater backing to expand further. It came from MSA, based in Atlanta, Georgia, which at present mainly serves IBM mainframe users and sees RTS as a way into the mini-computer market.

Mr Michael Hunt, executive vice-president of MSA, said his company was also attracted to the research and development prospects held out by the RTS team in Dublin.

One of the first fruits of the MSA-RTS deal, the final details of which have yet to be worked out, is for the recruitment this year of 30 new staff in Dublin to add to the existing 60 working at company headquarters overlooking Dublin's O'Connell bridge.

Such job creation is what cheers the IDA and it is the prospect of strong growth that has drawn it into the software industry.

Mr Spillane's vision that Ireland might become "the Japan of the software industry," turning its lack of a significant home market into an advantage by forcing people to sell around the world - may be over-ambitious.

So far, there are about 300 indigenous companies in software manufacture, but that figure includes one-man, attic-room outfits. Up to the end of last year, the IDA had given grant aid to 79 software companies then in production, 47 of them Irish. About a dozen of the Irish companies, such as Kindle Systems, G. C. McKeown and Insight Software, have expanded to include sales and service offices in the UK and beyond.

Their products include accounting packages, money-market packages, education software and packages for the medical and other professions. IBM, ICL and DEC compu-

ters are just some of the hardware serviced.

International names in software in Ireland include Ericsson, Logica and IBM, which established a third European software development facility in Ireland in 1985.

The IDA is spurred on in its efforts by good job-creation performance in the sector, a vital consideration when Irish unemployment at 18 per cent is proportionately the highest in the European community, and still rising.

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Credit Suisse First Boston Limited  
Agent Bank

## Veba lifts earnings

BY OUR FINANCIAL STAFF

VEBA, the West German utility and energy group, has continued to improve profits over the first quarter of 1986, lifting net earnings from DM 182m to DM 186m (\$76m).

The improvement has been achieved despite a decline in mineral oil sales. Earnings from electricity, chemicals and trading and transport were satisfactory, the company said.

The fall in oil prices and the lower dollar brought lower turnover

mainly in the mineral oil sector, Veba said. In chemicals a somewhat lower sales volume was largely compensated for by the acquisition last May of Nuodex.

Turnover in mineral oil, including petrochemicals, totalled DM 3.7bn, 19.1 per cent down on the first three months of 1985, and the trading division's turnover also dropped 19.3 per cent to DM 2.48bn. Total first quarter turnover fell 12.4 per cent to DM 10.93bn.

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April 1986

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April 1986



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# More than just the leader in corporate Eurobond issues.

## 1985 Ranking of Lead Managers for all Corporate Eurobond Issues

Rank	Bank	Amount (U.S. \$ Millions)
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3	Union Bank of Switzerland	2,749.9
4	Credit Suisse First Boston	2,646.3
5	Nomura Securities	2,443.0
6	Daiwa Securities	1,952.5
7	Salomon Brothers	1,613.2
8	Yamaichi Securities	1,499.7
9	Morgan Guaranty	1,352.7
10	Nikko Securities Company	1,330.3

Source: Euromoney Corporate Finance, February 1986

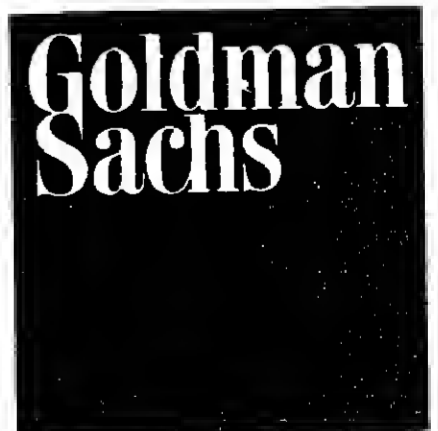
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INTERNATIONAL COMPANIES and FINANCE

Tokyo considers equity ratios move

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance (MoF) is anxious to comply with the Bank for International Settlements (BIS) view about what constitutes an adequate approach to equity ratios, is considering allowing the country's banks to issue capital notes.

funds through convertible bonds in the Eurodollar market and new share issues domestically. They were, however, obliged to return to shareholders part of the premiums obtained in both markets and all five banks are planning three-for-100 scrip issues later this year.

defined clearly as borrowing. Means are also being explored of cutting the assets denominator down to size. One idea is to accelerate the securitisation of loans in Japan, a process already under way elsewhere in the world.

banks' London subsidiaries surpassed those of the US banks two years ago. This evoked bitter criticism from their US and European competitors, which argued that Japanese banks—free from the constraints of equity ratios—were able to increase assets by offering loans with thin interest spreads, while the others were restricted by much stricter ratios imposed on them.

Foreign banks press Japan on liberalisation

By Carla Rapoport in Tokyo

LEADING international banks, increasingly dissatisfied with the pace of financial liberalisation in Japan, are now seeking widespread diplomatic support in order to step up the pressure on Japan to change its ways.

Good reception for \$250m floater from New Zealand

BY CLARE PEARSON

SALOMON BROTHERS International issued \$250 million of floating-rate notes for New Zealand yesterday. The 10-year issue, which pays a per cent over six-month London interbank bid rate, traded quickly at levels slightly below the 100.15 issue price.

28 per cent over the five-day average market price prior to pricing. The shares closed at \$22.50 last Friday. The bonds will be callable from 1992 initially at 106 per cent, and then at declining premiums.

set at 11 per cent, the lowest level for any of the \$1.125 billion bonds traded at a premium to issue price. Later this week Daimler-Benz is expected to launch a \$100 million 6 1/2 per cent issue.

Domestic issue from Austria

By Patrick Blum in Vienna

THE Austrian Government is to launch a Sch 5bn (\$322m) domestic bond tomorrow, its largest domestic bond issue so far this year. A Sch 3bn issue was launched in February.

Singapore plans state bonds

By Chris Sherwell in Singapore

SINGAPORE is to start regular issues of government bonds by the end of the year in a major move to develop the domestic capital market and broaden the range of financial services available in the island state.

maturities, and two-year end five-year notes—will be issued according to a clear schedule and will be taxable. The net proceeds of S\$1.3bn in the first year and S\$2.6bn in the first five will be recycled into the banking system, where the liquidity requirements imposed on banks are to be revised to take account of the changes.

cause no bond market has been needed as a source of government funds. Three-quarters of the S\$1.8bn currently outstanding, for example, is held by the Central Provident Fund (CPF), the compulsory savings scheme for all employees.

FT INTERNATIONAL BOND SERVICE

Table listing 200 latest international bonds with columns for Issued, Bid, Offer, Change, and Yield. Includes sections for US Dollar, Sterling, Deutsche Mark, and Floating Rate.

Advertisement for U.S. \$100,000,000 Crédit d'Équipement des Petites et Moyennes Entreprises. 7 3/4% Notes Due May 1996. Unconditionally guaranteed by The Republic of France. Lists participating banks like Salomon Brothers, Bankers Trust, etc.

Europaper for Morgan Stanley

By Peter Montgomery, Euromarkets Correspondent. MORGAN STANLEY has become the second US investment bank this month to announce plans to tap the Eurocommercial paper market.

Idaho and Alabama banks fail

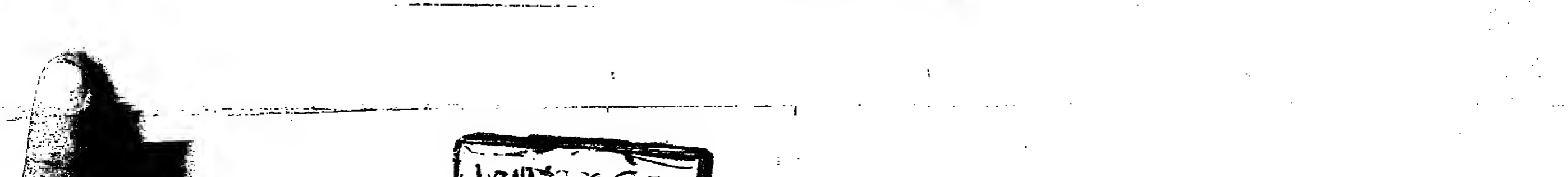
THE FEDERAL Deposit Insurance Corp. (FDIC) has announced that two banks, one in Idaho and the other in Alabama, failed on Friday and reopened yesterday under new ownership.

Foreign banks press Japan on liberalisation

LEADING international banks, increasingly dissatisfied with the pace of financial liberalisation in Japan, are now seeking widespread diplomatic support in order to step up the pressure on Japan to change its ways.

Tokyo considers equity ratios move

THE JAPANESE Ministry of Finance (MoF) is anxious to comply with the Bank for International Settlements (BIS) view about what constitutes an adequate approach to equity ratios, is considering allowing the country's banks to issue capital notes.



# INTERNATIONAL COMPANIES and FINANCE

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## JVC net earnings suffer steep setback

By Our Tokyo Staff

EARNINGS at Victor Company of Japan (JVC) were cut by more than half in the year to March, a setback which the company blames on the steep appreciation of the yen and a drop in sales of video cassette recorders (VCRs) to the US and China. Pre-tax profits for the parent company plummeted 51 per cent to ¥20.5bn (£222.2m) while net profits were down 52.7 per cent to ¥9.1bn. Turnover of ¥55.12bn was 9.5 per cent lower than in the previous year. Net earnings per share plunged to ¥33.43 from ¥52.22, but the final dividend is unchanged at ¥6.25 to pay ¥12.50 for the year. For the current year, a further drop of 27.9 per cent in pre-tax profits to ¥15bn is expected, even though sales are forecast to recover by 7 per cent to ¥65bn, chiefly because of a ¥100bn contribution from the group's camcorder — a small VCR with a built-in video camera. In the past year, sales in the VCR division suffered a 14 per cent drop, chiefly due to a reduction in the number of companies supplied on an original equipment manufacturer basis, as well as to the shift of production bases to European affiliates and single sales in the US. Sales of video disc systems and compact disc players increased, but a new line of information equipment did not perform well, mainly because of weak demand for personal computers in the US. In the current year, JVC plans to boost production of compact disc players, while it expects static sales of audio equipment and television sets. Profit estimates are based on a dollar exchange rate of ¥172 in the first half and ¥165 in the second six months. However, the yen's appreciation has been much faster than the company expected — the close in Tokyo yesterday was ¥160.20. JVC hopes again to maintain the annual dividend.

## Kia Motors embarks on expansion

KIA MOTORS, one of South Korea's largest manufacturing companies, has embarked on a major expansion with the acquisition of Korea Heavy Machinery Industries, an insolvent company which has been under bank management since 1981. The acquisition, announced by the Korean Government last Friday, is the opening shot in what is expected to be a series of acquisitions and mergers involving large bankrupt companies under the terms of a new tax reduction and exemption law. The Government also announced the merger of the bankrupt Poong Man paper company with Kyesung Paper Company.

The terms of the acquisitions have not been fully disclosed. Korea Heavy Machinery, which makes rolling stock, machinery and machine tools, is reported to have accumulated debts of 198.3bn Won (¥221.4m) compared with assets of 101.5bn Won, and has an accumulated loss of 112.3bn Won. In order to sweeten the takeover, Kia will be given exemptions and reductions on a variety of taxes, including capital gains taxes, and acquisition and registration taxes. Korea Development Bank, which has managed Korea Heavy Machinery for the past five years, has extended 180bn Won of loans which will be repayable over 10 years after a 10-year grace period. Kia Motors said that a principal attraction of the acquisition was Korea Heavy Machinery's extensive property holding

throughout South Korea. Government regulations usually inhibit the acquisition of property by large companies. Kia's 1985 revenues of 500.6bn won came mainly from the manufacture and sale of small vans and trucks. It is in the middle of a rapid expansion and will begin assembly and export of a new "minicar" to the US next year. Kia expects to build a new assembly plant on land owned by Korea Heavy Machinery. Kia, which is owned 8 per cent by Mazda of Japan, is also involved in talks with Ford

knowledge that Kia has entered negotiations with Ford. Kia has paid-up capital of 80bn won, and plans a rights issue before the end of the year of at least 20bn won. It hopes to complete a Ford deal at that time. Kia's acquisition of Korea Heavy Machinery will also bring it additional manufacturing facilities, and some will be converted to produce automotive components. Kia said that Korea Heavy Machinery was roughly 40 per cent the size of Kia. Individual manufacturing facilities will be

## BAT unit in India plans for growth

By P. C. Mahanti in Calcutta

TTC, the Indian subsidiary of British American Tobacco, is to embark on diversification and expansion plans which are designed to more than quadruple turnover to Rs 40bn (US\$2.4bn) by the end of the century. Sales totalled Rs 8bn in 1984-85 and Mr J. N. Sapru, the chairman, forecasts that this will rise by about 13 per cent to Rs 9.2bn during the current year to June.

## U.S. \$400,000,000 Queensland Coal Finance Limited

Guaranteed Floating Rate Notes Due 1996

Unconditionally and irrevocably guaranteed by

**The Bank of Tokyo, Ltd.**

of which U.S. \$306,360,000 is being issued as the initial tranche

Interest Rate	6.8625% p.a.
Interest Period	12th May 1986 12th November 1986
Interest Amount per U.S. \$10,000 Note due 12th November 1986	U.S. \$350.75

Credit Suisse First Boston Limited Agent Bank

## U.S. \$250,000,000



## BANK OF BOSTON CORPORATION

Subordinated Floating Rate Notes Due 2001

Interest Rate	6 1/8% per annum
Interest Period	12th May 1986 12th August 1986
Interest Amount per U.S. \$50,000 Note due 12th August 1986	U.S. \$86.46

Credit Suisse First Boston Limited Agent Bank

## NORDIC INTERNATIONAL FINANCE B.V.

U.S. \$40,000,000

Guaranteed Floating Rate Notes 1991

Guaranteed on a subordinated basis as to payment of principal and interest by



**NORDIC BANK PLC**

For the six months 12th May 1986 to 12th November 1986 the Notes will carry an interest rate of 7 1/2 per annum with a Coupon Amount of U.S. \$178.89 per U.S. \$5,000 Note, payable on 12th November 1986.

Bankers Trust Company, London Agent Bank

## Steven B. Butler on the interest of the Korean Government and of Ford Motor of the US in Korea's largest truck and van manufacturer

Motor of the US about a possible Ford purchase of a major equity stake in Kia. Ford has already agreed to market Kia's minicar in the US under a Ford label. The company said that talks with Ford, which have been under way for nearly a year, had recently "intensified" and he expected an agreement would be enacted before the end of the year. Neither the size of a Ford stake in Kia nor the purchase price have been resolved. According to those outside Kia familiar with the negotiations, Ford has balked at paying the full market price of Kia shares, which have risen sharply in the past year. Ford says the run-up is partly due to the widespread

merged where appropriate with Kia Machine Tool, a Kia subsidiary, although Korea Heavy Machinery would continue to exist as a separate entity. The process by which Kia reached agreement to acquire Korea Heavy Machinery has come under sharp public attack. The law under which the Government engineered the acquisition was pushed through the National Assembly late last year by the ruling party. Newspaper commentaries have called for full disclosure of the process by which Kia was selected and the full terms of the acquisition, on the grounds that it is being heavily subsidised by the public. There

papers, and transport through taxi, bus and seaborne services. The parent company alone had outstanding bank borrowings of ¥224.9bn at the end of October 1985, and debt of the top 30 group companies came to more than ¥500bn. The parent's financial squeeze has been a matter of concern for the Ministry of Finance and the Bank of Japan. The financial authorities have welcomed the commitment by the five banks as a way to ease the group's credit position. In return for the fresh loans, Kurushima is believed to have drawn up a streamlining programme which includes the closure of some of its 21 slipways. Mr Hisao Tsubouchi, its president, said yesterday the com-

## Five Japanese banks support shipbuilder

BY YOKO SHIRATA IN TOKYO

FIVE OF Japan's leading commercial banks are to form a loan consortium which will provide a breathing space for Kurushima Dock, the country's largest shipbuilder in terms of building capacity. Japan Credit Bank, Sumitomo, Fuji, Sanmito

Trust and the Industrial Bank of Japan will extend ¥30bn (US\$4.5bn) out of a ¥40bn expected short fall in the company's financing programme for the current year to September. The remainder will come from smaller regional banks and other institutions.

Kurushima is expected to remain in the black this year, however, and the five banks emphasised that the loans are not an emergency bail-out, but supplemental to Kurushima's financing plans for the year.

Apart from its three large shipbuilding affiliates—Sasebo Heavy Industries, Hakodate Dock and Kanazashi Zosen — Kurushima has more than 100 group companies involved in hotels, golf courses, news-

This announcement appears as a matter of record only. March 1986

## ABC GROUP (UK) PROPERTIES LIMITED

DM140,000,000  
SEVEN YEAR LOAN

Guaranteed by

### ARAB BANKING CORPORATION (ABC)

Arranged by

Arab Banking Corporation (ABC) First Chicago Limited

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- Associated Japanese Bank (International) Limited
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- London Branch (Licensed Deposit Taker)
- Girozentrale und Bank österreichischen Sparkassen Aktiengesellschaft
- The Hokkaido Takushoku Bank, Limited
- London Branch
- Istituto Bancario San Paolo di Torino
- The National Bank of Kuwait S.A.K.
- B.A.I.I. plc
- Banque Internationale à Luxembourg, S.A. London Branch
- The First National Bank of Chicago
- Gulf International Bank B.S.C.
- International Westminster Bank PLC
- Manufacturers Hanover Trust Company, London
- The State Bank of South Australia

Agent

### First Chicago Limited

This announcement appears as a matter of record only. April, 1986

## THE REPUBLIC OF TURKEY

US \$233,000,000

### Co-Financing with International Bank for Reconstruction and Development

Arranged by

### Arab Banking Corporation (ABC)

Lead Managed by

Alahli Bank of Kuwait K.S.C. Arab Banking Corporation (ABC) Burgan Bank S.A.K., Kuwait

The Dai-ichi Kangyo Bank, Limited Libyan Arab Foreign Bank The Long-Term Credit Bank of Japan, Limited

Manufacturers Hanover Limited Morgan Guaranty Trust Company of New York

Co-Lead Managed by

IBJ International Limited The Mitsui Bank, Limited Türkiye İŞ Bankası A.S.

Managed by

Kansallis Banking Group

Co-Managed by

Abu Dhabi Investment Company Associated Japanese Bank (International) Limited Banco de Bilbao Group

Banco di Roma Banque Internationale à Luxembourg Société Anonyme Kredietbank NV

Landsbank Rhenland-Pfalz International S.A., Luxembourg The Sumitomo Trust & Banking Co., Ltd.

with

Nordiska Investeringssbanken (Nordic Investment Bank)

Provided by

International Bank for Reconstruction and Development

- Abu Dhabi International Bank Inc.
- Abu Dhabi Investment Company
- Alahli Bank of Kuwait K.S.C.
- Arab Banking Corporation (ABC)
- Arab International Bank Cairo
- Associated Japanese Bank (International) Limited
- Banco de Bilbao Group
- Banco di Roma (London Branch)
- Banque Internationale à Luxembourg Société Anonyme
- Burgan Bank S.A.K., Kuwait
- Credito Italiano London Branch
- Dai-ichi Kangyo Finance (Hong Kong) Limited
- Die Erste oesterreichische Spar-Casse-Bank
- The Industrial Bank of Japan, Limited
- Iab Group Limited
- Kansallis Banking Group
- Kredietbank NV
- Landsbank Rhenland-Pfalz International S.A., Luxembourg
- Libyan Arab Foreign Bank
- The Long-Term Credit Bank of Japan, Limited
- Manufacturers Hanover Trust Company
- The Mitsui Bank, Limited
- Morgan Guaranty Trust Company of New York
- The Sumitomo Trust & Banking Co., Ltd.
- Türkiye İŞ Bankası A.S.

Agent

### Arab Banking Corporation (ABC)





UK COMPANY NEWS

# Britannia Arrow rights to fund £40m MIM purchase

BY DAVID LASCELLES

Britannia Arrow Holdings, the unit trust and pension fund group, is to pay £40m cash to acquire MIM, the investment management company. It is making a £38.4m rights issue to finance the deal.

MIM's present owner is Aetna Life and Casualty, the US insurance group, which bought it last year from the Midland Bank for £55m. The new combination will produce one of the UK's largest fund management companies.

The rights issue will be on a one-for-five basis at 110p per share. Britannia's shares closed last night at 120p.

Mr Robert Maxwell, the publisher of Mirror Group newspapers, and his Pergamon Holdings, which together hold 16.7 per cent of Britannia, have

agreed to subscribe for their entitlement. The remainder will be underwritten by Lazard Brothers. The brokers are Rowe & Pitman.

Britannia expects to be able at least to maintain last year's dividend of 4.2p net.

With MIM's £3.3bn of funds under management, the new group will control more than £8bn, with approximately half of that managed overseas.

Aetna appears to be selling MIM for less than it paid for it last July. However it was being stressed yesterday that Aetna will retain MIM's Hong Kong office and some other business. The price Aetna paid was part of a complex reshuffling of assets between itself and the Midland Bank.

Nevertheless, Britannia ex-

ecutives believe they have obtained MIM for a good price. Britannia intends to maintain close links with Aetna after the deal. MIM will continue to manage some of Aetna's international portfolios, and Britannia has agreed to grant Aetna credits of up to £1.5m in fees for new business.

Mr David Stevens, MIM's chairman, will become chairman of the combined UK investment management subsidiary. All MIM's UK executive directors have also to stay after the acquisition.

The merger was largely triggered by last year's abortive bid for Britannia by Guinness Peat, during which MIM acquired a substantial stake in Britannia.

See Lex

# Coloroll bid for Staffs. Potteries lapses

By David Goodhart

THE ACRIMONIOUS £14m bid by home furnishings group Coloroll for Staffordshire Potteries has lapsed. Coloroll announced yesterday that it had only marginally increased its 32.8 per cent of ordinary share acceptances received on Friday.

Mr John Ashcroft, chairman of Coloroll, said the company would now be reviewing all its options and added: "We plan to stay in there, there is no denying the commercial logic."

He also said that he remained hopeful of coming to some understanding with the Staffordshire board. A provisional agreed deal was briefly discussed before the hostile bid was launched.

Coloroll received acceptances for 19.32 per cent of the ordinary shares and owns, itself or through its merchant bank S. G. Warburg, a further 14 per cent. It also received acceptances from holders of 64.4 per cent of the preference shares, and has extended the separate preference offer until Friday.

There is dispute between the companies over the time at which Coloroll could convert those preference shares and make a new bid but unless a Staffordshire white knight emerges it is likely to hold on to its stake.

# Metals Ex. bids for Hampton Areas

BY KENNETH MARSTON, MINING EDITOR

A CASH bid of 130p per share for Hampton Gold Mining Areas is planned by Australia's Metals Exploration Pacific, a wholly-owned subsidiary of Metals Exploration which, in turn, is effectively controlled by Mr Alan Bond. It values Hampton Areas at about £35.5m and is conditional upon a 90 per cent acceptance.

Mr George Livingstone-Learnmonth, managing director of Hampton Areas, commented in London yesterday that the bid, "would seem to be a sighting shot," adding "the shares were 132p bid before the news this morning."

Meanwhile the company is consulting its advisers, Samuel Montagu, and "strongly" advises shareholders to take no action.

The Metals Exploration group, which holds 1.35m shares in London, quoted Hampton Areas and has agreed to purchase a further 2m shares to make a total of 12.3 per cent, claims that it will be able to improve the performance of the London company's mining interests.

Hampton Area's UK interests include licensed coal mining operations, the manufacture of mining equipment, and North Sea oil activities. In the US the company has a currently suspended gold venture in Colorado, plus anthracite operations and interests in oil and gas production in Oklahoma.

Australian assets of Hampton Areas include royalties on part of Western Mining's nickel production. Gold activities include the promising New Celebration and Jubilee projects. A 20 per cent holding in the Paranga gold mining joint venture was recently sold to North Kalgurli Mines in which Metals Exploration has a stake of 31.4 per cent.

### BOARD MEETINGS

TODAY	May 20
Insilms: Concentric, GSC Capital, Holmes and Marchant	May 23
Finals: Anglo American Coal, Chesfield Properties, Datasyn Inc, William Morris Fine Arts, North Sea and General Oil Investments, Pauland Terrie, Water Runciman, Sears, Snyo, Warrild Investments	May 19
FUTURE DATES	May 21
Bankers Investment Trust	May 22
Guinness Peat	May 20
Radio City (Sound of Mersey-side)	May 27
Ranks Howe McDougall	May 20
Spectrum	May 22
United Scientific	May 19
Western Selection	May 19
Williams (John)	May 19
Finals	May 19
Allied Irish Banks	May 21
Assoc. British Foods	May 19
Avon	June 22
Bossey and Hawkes	May 16
Biemer	May 14
Bovis and Americas Film	May 20
Cearings	May 22
Clayton Properties	May 16
GT Global Recovery Inv. Tr.	June 8

# Booker bids for Whitworth's

BY RICHARD TOMKINS

Whitworth's Food, a USM-quoted fruit and vegetable distributor, which had its shares suspended 1 day ago pending an announcement, yesterday emerged as the subject of an agreed bid by Booker McConnell, the fully listed agribusiness, health products and food distribution conglomerate.

At the same time Whitworth's revealed that it had slumped into loss in the half year to March with a deficit before tax and extraordinary items of £575,000 compared with profits of £231,000.

The company said the main reason for the downturn had been the shortage of good quality potatoes caused by last year's bad weather.

It had also led the directors to conclude that the shareholders' interests would best be served by the company's amal-

gamation with a larger and more diversified group.

Booker is offering 48p cash for every Whitworth's share, valuing the company at about £4.9m. The price compares with 43p at which Whitworth's was suspended and the 95p at which it was floated in January last year.

There is an alternative offer of one Booker share for every seven of Whitworth's. Booker closed 44p down at 313p yesterday and Whitworth's re-entered the list at 45p.

Booker's food distribution activities are mainly in the wholesale sector. It is the leading supplier to UK caterers and its food distribution division had turnover of £924m and pre-tax profits of £13.2m in the year to last December.

Whitworth's business is mainly in supplying quality pro-

duce to supermarkets, wholesalers and food processors in the UK.

Booker says Whitworth's should complement its agribusiness and food distribution businesses but will continue to be managed under its existing trading name and identity.

# Delyn seeks growth in plastic packaging

Delyn Packaging has produced a profit well in excess of expectations for the year ended February 2 1986, and is lifting its dividend from 2.5p to 3p net, with a final of 2p.

Significant improvements in the second half have pushed up the profit from £121,000 to £301,000, when the directors' sights were on a similar performance. There is an exceptional charge of £50,000 this time, which reduces the pre-tax balance to £251,000.

Mr Ifor Jones, who became chairman a month ago, says the manufacture of plastic packaging has become the dominant part of the company's activity, and in the past year has increased significantly in turnover and profitability. The trend is continuing.

The directors intend to develop the range and size of its involvement in plastics packaging generally, he says.

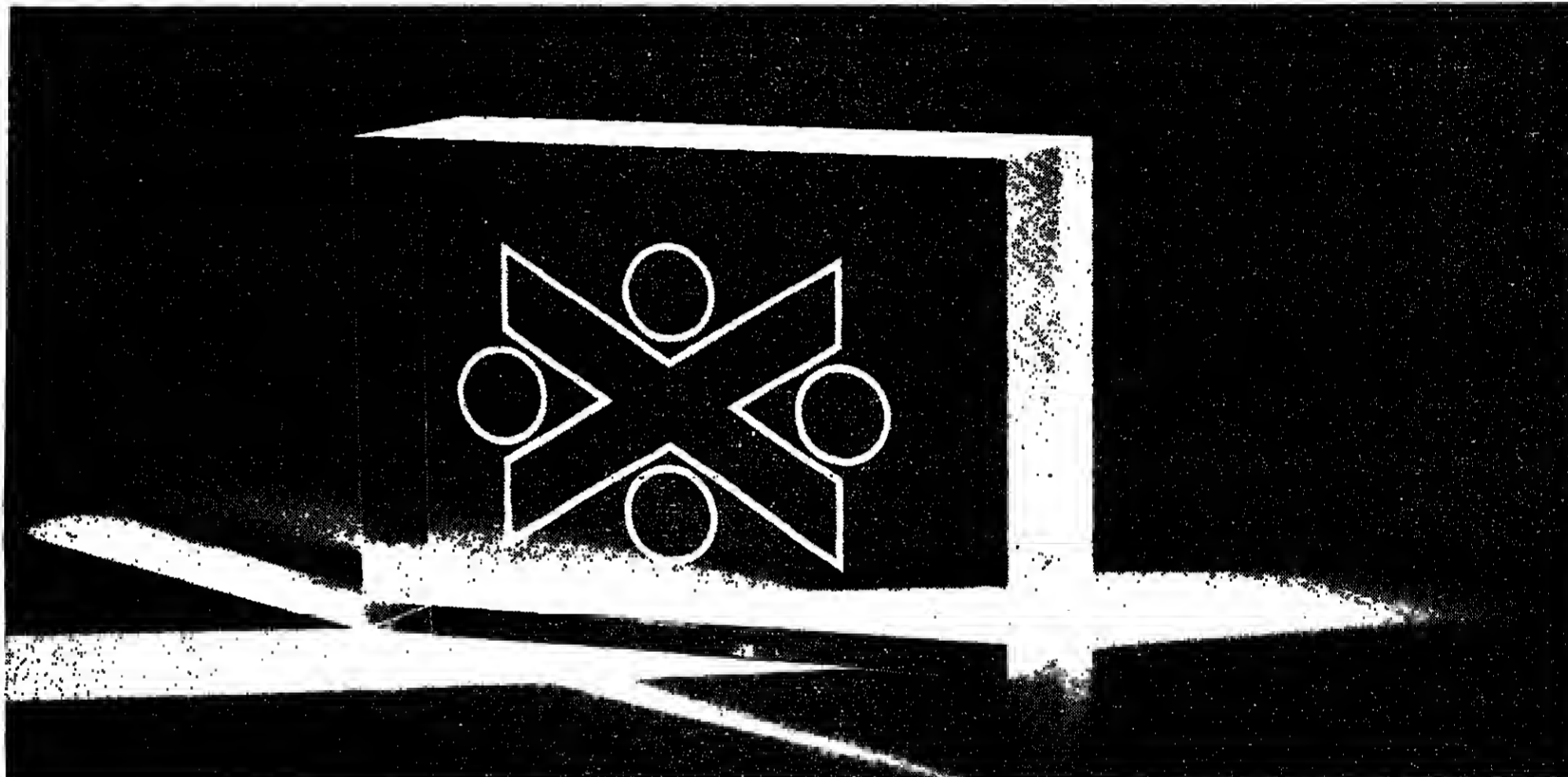
In the year turnover rose from £5.09m to £6.67m. After tax £25,000 (£21,000) earnings are shown at 11.38p (5.03p) per share.

Paper products failed to contribute to profitability. There has been a complete reorganisation and the directors are considering various alternatives to ensure that profit performance throughout the company is consistent with their policy.

On the plastic side, Mr Jones says additional investment is in hand and new equipment has been ordered which will be capable of handling most of the new generation of plastic materials being developed for the food packaging industry.

The machines, however, will not be delivered until late in the current year.

Mr Jones says the facilities available for production of food packaging in an expanding market gives good reason for optimism.



In a new Corporate Statement, the Group has clear aims:-

- to provide a range of distinctive financial services throughout the United Kingdom and internationally, always appropriate to market conditions and consistent with its long record of profits, stability and integrity;
- to be professional, friendly, prompt and imaginative in its dealings with customers;
- to train, develop, inform, respect and encourage staff so that they can perform an effective and fulfilling role.

# Bank of Scotland Group's record of success has been fully maintained in 1985/86.

### SUCCESS THROUGH INNOVATION

Money Market Cheque Account and house mortgage syndications are past examples of initiatives reflecting our aims. 1985/86 has produced:-

- HOBS - our Home and Office Banking Service, which uses television to make banking easier and more efficient wherever our customers may be;
- TAPS - a Transatlantic Automated Payments System which provides fast and cheap money transfer to overseas beneficiaries; this won us a major contract from the Department of Health & Social Security;
- longer opening hours, with nearly all our Branches open until 4.45 pm four days a week and 5.30 pm on Thursdays.

Such successes are achieved by the dedicated support of high calibre staff at all levels and the Bank is indeed fortunate in this respect.

### SUCCESS IN THE COMMUNITY

Bank of Scotland is proud of its slogan, "A Friend for Life", and plays a major part in the community, including the running of a substantial and varied sponsorship programme which incorporates agriculture, the arts and sport, with some emphasis on the youth market.

### SUCCESS IN THE FUTURE

Investment in more technology, property, equipment and people is, we believe, the foundation for future growth.

### SUCCESS AT A GLANCE

	1986	1985
Pre-Tax Profit	£95.2m	£80.4m
Earnings per £1 Capital Stock	46.1p	41.3p*
Dividend per £1 Capital Stock	14.0p	12.6p*
Advances	£5,813.9m	£5,322.8m
Capital and Reserves	£514.5m	£402.3m

\*1985 - Adjusted for rights issue.

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A FRIEND FOR LIFE

If you would like a copy of the Annual Report, please telephone or write to: Alistair G King, Public Affairs Manager, Bank of Scotland, PO Box 5, The Mound, Edinburgh EH1 1YZ, Telephone: 031-243-541.

## Global Natural Resources Ltd

A Scheme of Arrangement dated 17th May 1983 providing, among other things, for the exchange of bearer shares of Global Natural Resources Limited, formerly Global Natural Resources PLC, a company organised under the laws of England (Global-UK), for registered shares of Global Natural Resources Inc., a company organised under the laws of the State of New Jersey, USA (Global-US), became effective in July 1983. Pursuant to the Scheme of Arrangement, the issued and outstanding shares of Global-UK have been cancelled. They entitle the holders only to obtain registered shares of Global-US in exchange for their bearer shares of Global-UK and have otherwise ceased to have effect.

Holders of shares of Global-UK will not be entitled to receive dividends or notice of meetings or be able to vote or otherwise participate in the affairs of Global-US unless and until their bearer shares of Global-UK and the Form of Application to receive registered shares of Global-US, legibly completed, are received by the Exchange Agent named below and the shares of Global-US are registered in the name of such holders. Accordingly holders of bearer shares of Global-UK are strongly urged to write to one of the addresses given below to obtain Forms of Application.

Forms of Application may be obtained from the following:

- Exchange Agent:  
Registrar and Transfer Company  
Attn: Exchange Department, 10 Commerce Drive  
Cranford, New Jersey 07016, USA
- or from:
- Global Natural Resources Inc.  
5300 Memorial Drive, Suite 900  
Houston, Texas 77007, USA
- or from:
- Hambros Bank Ltd  
Attn: Stock Counter, 41 Bishopsgate  
London, England EC2P 2AA





# APPOINTMENTS

## ANZ Banking Group treasury changes

As a consequence of the re-organisation of the treasury operation of ANZ Bank and Grindlays Bank, the following senior appointments global treasury UK/Europe region have been made based in London: Mr Michael J. Tong becomes regional general manager—treasury, UK/Europe; Mr David A. Foreman, chief divisional manager—regional treasury services responsible for Grindlays Bank treasury; Mr Derek F. S. Green, chief divisional manager—foreign currencies responsible for ANZ Bank major currency and life dealing; Mr Kenneth P. Hendry, treasurer—asset and liability management; Mr Peter J. Horrocks, chief divisional manager—money markets; Mr John W. Jukes, chief divisional manager—financial advisory; Mr Jerry McCarthy, chief divisional manager—Australasian currencies; and Mr Ian K. Watt, controller—treasury systems and support. The two banks will continue to effect business in their own names.

appointed deputy chairman of ANGLIA TELEVISION, Mr David McCall, taken over from Lord Buxton as chief executive of the group. Mr McCall continues as chief executive of television operations, and Lord Buxton remains chairman of the group.

Mr Derek Norton has been appointed group managing director and chief executive of JONAS WOODHEAD & SONS. He was chief executive of the Lonrho Engineering interests in the UK. He was chairman of Hadfield's, Sheffield steelmakers, from 1977 until the company was sold to BSC and GKN in 1983.

SMITH AND WILLIAMSON SECURITIES has appointed Ms Isabel A. M. Drummond and Ms Michael E. A. Bale directors.

VENCEL RESIL has appointed Mr Robert F. Macdonald, as manufacturing director and Mr Derek J. Wager as finance director. Mr Macdonald was group works manager and Mr Wager was financial controller.

TOUCHE ROSS has admitted Mr John Reeve to the partnership of Touche Ross Associates, its permanent consultant arm. Mr William B. Carmichael and Mr Colin M. Brown have been elected chairman and deputy chairman of the Scottish unit of the Stock Exchange. Mr Carmichael is chairman of Aitken Campbell and Co, the Glasgow jobbers, and his company is part of the Glasgow broker Campbell Neill and Co.

The 72nd president of the ELECTRICAL CONTRACTORS ASSOCIATION is Mr Roy Howard, managing director of Electrical Installations (North West).

LORD KING has been appointed chairman of LANDSAVER, part of the Midland City Partnership.

Mr I. E. Hackett has been appointed group financial controller of M. L. HOLDINGS. Mr

DUNLOP ADHESIVES' new managing director is to be David Holdham, former marketing director of Unibond.

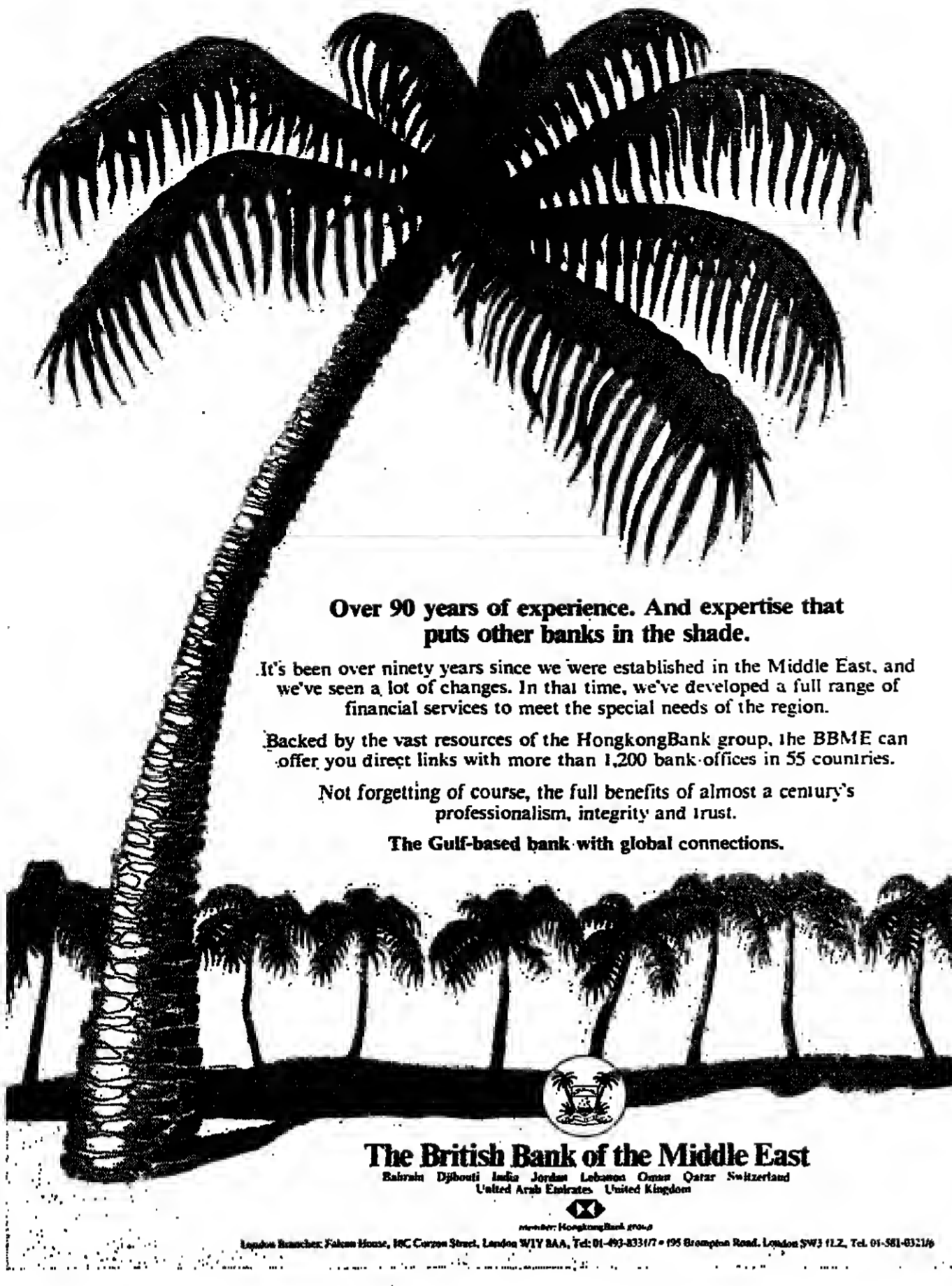
Mr E. T. Davis has been appointed director of the Financial and Com. Div. of First Nat. Fin. Corp. Mr Robert Fleming & Co. Mr Henry Ausbacher. Mr Quinlan Mahon.

Mrs Jennifer D'Alto has been appointed to the board of CHANNEL 4 by the Independent Broadcasting Authority. Her appointment is for five years until March, 1991, succeeding Miss Della O'Carroll of the Milk Marketing Board.

Mr N. E. T. Davis has been appointed director of the Manufacturing Division, sub-division of Electrical Installations (North West).

**BASE LENDING RATES**

Bank	Rate (%)	Financial & Com. Div.	Rate (%)
ABN Bank	10%	First Nat. Fin. Corp.	11%
Allied Dunbar & Co	10%	First Nat. Fin. Corp.	11%
Allied Irish Bank	10%	First Nat. Fin. Corp.	11%
American Express Bank	10%	First Nat. Fin. Corp.	11%
Anso Bank	10%	First Nat. Fin. Corp.	11%
Bank of Australia	10%	First Nat. Fin. Corp.	11%
Bank of Calcutta	10%	First Nat. Fin. Corp.	11%
Bank of China	10%	First Nat. Fin. Corp.	11%
Bank of Commerce	10%	First Nat. Fin. Corp.	11%
Bank of India	10%	First Nat. Fin. Corp.	11%
Bank of London	10%	First Nat. Fin. Corp.	11%
Bank of Montreal	10%	First Nat. Fin. Corp.	11%
Bank of New York	10%	First Nat. Fin. Corp.	11%
Bank of Singapore	10%	First Nat. Fin. Corp.	11%
Bank of South Africa	10%	First Nat. Fin. Corp.	11%
Bank of Swaziland	10%	First Nat. Fin. Corp.	11%
Bank of Tanzania	10%	First Nat. Fin. Corp.	11%
Bank of Uganda	10%	First Nat. Fin. Corp.	11%
Bank of Victoria	10%	First Nat. Fin. Corp.	11%
Bank of Zambia	10%	First Nat. Fin. Corp.	11%
Bank of Zimbabwe	10%	First Nat. Fin. Corp.	11%
Bank of East Africa	10%	First Nat. Fin. Corp.	11%
Bank of East Asia	10%	First Nat. Fin. Corp.	11%
Bank of East Asia Ltd	10%	First Nat. Fin. Corp.	11%
Bank of East Asia Ltd	10%	First Nat. Fin. Corp.	11%
Bank of East Asia Ltd	10%	First Nat. Fin. Corp.	11%
Bank of East Asia Ltd	10%	First Nat. Fin. Corp.	11%



**Over 90 years of experience. And expertise that puts other banks in the shade.**

It's been over ninety years since we were established in the Middle East, and we've seen a lot of changes. In that time, we've developed a full range of financial services to meet the special needs of the region.

Backed by the vast resources of the Hongkong Bank group, the BBME can offer you direct links with more than 1,200 bank-offices in 55 countries.

Not forgetting of course, the full benefits of almost a century's professionalism, integrity and trust.

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**The British Bank of the Middle East**  
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London Branch: Falcon House, 100 Cannon Street, London WC1N 1BA, Tel: 01-493-8317/7/95 (5 lines) (London SW3) (12, Tel: 01-881-8116)

### Legal Notices

No. 002309 of 1986  
 IN THE HIGH COURT OF JUSTICE  
 CHANCERY DIVISION  
 MR. REGISTRAR BRADBURN  
 IN THE MATTER OF  
 GOVETT ENTERPRISE INVESTMENT  
 TRUST PLC  
 AND IN THE MATTER OF  
 THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that by an Order dated the 2nd day of May 1986 made in the above matters the Court has directed separate Meetings of (i) the holders of the Ordinary Shares of the above-named Company (hereinafter called "the Company") not beneficially owned by Govett Enterprise Investment Trust PLC, and (ii) the holders (other than Govett Enterprise Investment Trust PLC) of the Ordinary Shares of the Company not beneficially owned as aforesaid to be convened for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its said respective classes of Shares (other than as aforesaid) and the Registrar of Companies has directed that such Meetings shall be held at Winchester House, 77 London Wall, London EC2N 1JH, on Wednesday the 4th day of June 1986 or the respective times below mentioned, namely:

(i) The Meeting of the holders of the Ordinary Shares of the Company not beneficially owned as aforesaid at 9.45 a.m.; and

(ii) The Meeting of the holders (other than as aforesaid) of the Ordinary Shares of the Company not beneficially owned as aforesaid at 9.50 a.m. on the day thereafter as the preceding Meeting shall have been concluded or adjourned.

ANY person entitled to attend the said Meetings can obtain copies of the said Scheme of Arrangement, form of Proxy and copies of the Statement required to be furnished pursuant to section 428 of the Companies Act 1985 from the Registrar of Companies at the Registered Office of the Company situate at Winchester House, 77 London Wall, London EC2N 1JH, and at the offices of the undersigned Solicitors at the addresses mentioned below during usual business hours on any day (other than a Saturday, Sunday or Public Holiday) prior to the day appointed for the said Meetings.

The said Shareholders may vote in person at such of the said Meetings as they are entitled to attend or they may appoint another person whether or not a Shareholder to attend and vote in their stead.

IN the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and the Chairman of the Meeting shall be deemed to be so determined by the order in which the names stand in the Register of Members of the Company.

IT is requested that forms appointing proxies be lodged with Ravensbourne Registrars' Services Ltd., Leura House, 34 Beckenham Road, Beckenham, Kent, SE20 8BE, not less than 48 hours before the time appointed for the said Meetings but if a form is not so lodged it may be handed to the Chairman at the Meeting at which the said Shares are held.

BY the said Order the Court has appointed James Gilbert Sydney Damwell or failing him, Andrew Robert James Boyle to act as Chairman of each of the said Meetings and has directed the Chairman to report the result thereof to the Court.

THE said Scheme of Arrangement may be subject to the subsequent approval of the Court.

DATED the 3th day of May 1986.  
 LINKLATERS & PAINES (A.Reb.),  
 Leura House, 34 Beckenham Road,  
 London EC2N 7JA,  
 Solicitors for the Company.

**LUXURY SAILING YACHT**  
 Design Sparkman and Stevens

Perkins 85 hp engine, three private cabins with two separate toilet facilities, six sails, full instruments, safety equipment, auto pilot, etc.

Price US\$150,000

This yacht is in Greek waters

Additional information:  
 Tel: 216409 TSEK GR  
 Tel: 0030 1 5245333

**NOTICE OF REDEMPTION**  
**HYDRO-QUÉBEC**  
 U.S.\$100,000,000

**11 1/2% DEBENTURES, SERIES DX**  
 due JUNE 15th, 1992

NOTICE IS HEREBY GIVEN THAT Hydro Québec will redeem on June 15th, 1992 the US\$72,750,000 debentures outstanding for the 11 1/2% Series DX Debentures due June 15th, 1992 at a price of 101 1/4% of the principal amount together with interest on such principal accrued and unpaid to the said date of redemption.

The redemption price on the said Debentures shall be payable on presentation and surrender thereof with all unmatured coupons at any one of the following Paying Agencies:

Bank of Montreal,  
 9 Queen Victoria Street, London EC4N 4XN, England.  
 Bank of Montreal, Main Office,  
 119 St. James Street West, Montreal, Quebec,  
 H2Y 1K6, Canada.  
 Bank of Montreal Trust Company,  
 2 Wall Street, New York, N.Y. 10005, U.S.A.  
 S. G. Warburg & Co. Ltd.,  
 33 King William Street, London EC4R 9AS, England.  
 Kredietbank S.A. Luxembourgeoise,  
 Case Postale 1108, Luxembourg.  
 Kredietbank N.V.,  
 7 rue d'Arenberg, B-1040 Brussels, Belgium.  
 Westdeutsche Landesbank,  
 56 Friedrichstrasse, Postfach 1128, D-4000  
 Dusseldorf, West Germany.  
 Commerzbank A.G.,  
 32-36 Neue Mainzer Strasse, Postfach 25-34, D-6000  
 Frankfurt (Main) 1, West Germany.  
 Banque Nationale de Paris,  
 16 Boulevard des Italiens, 75009 Paris, France.  
 Credit Suisse Bank,  
 8 Paradeplatz, 8021 Zurich, Switzerland.

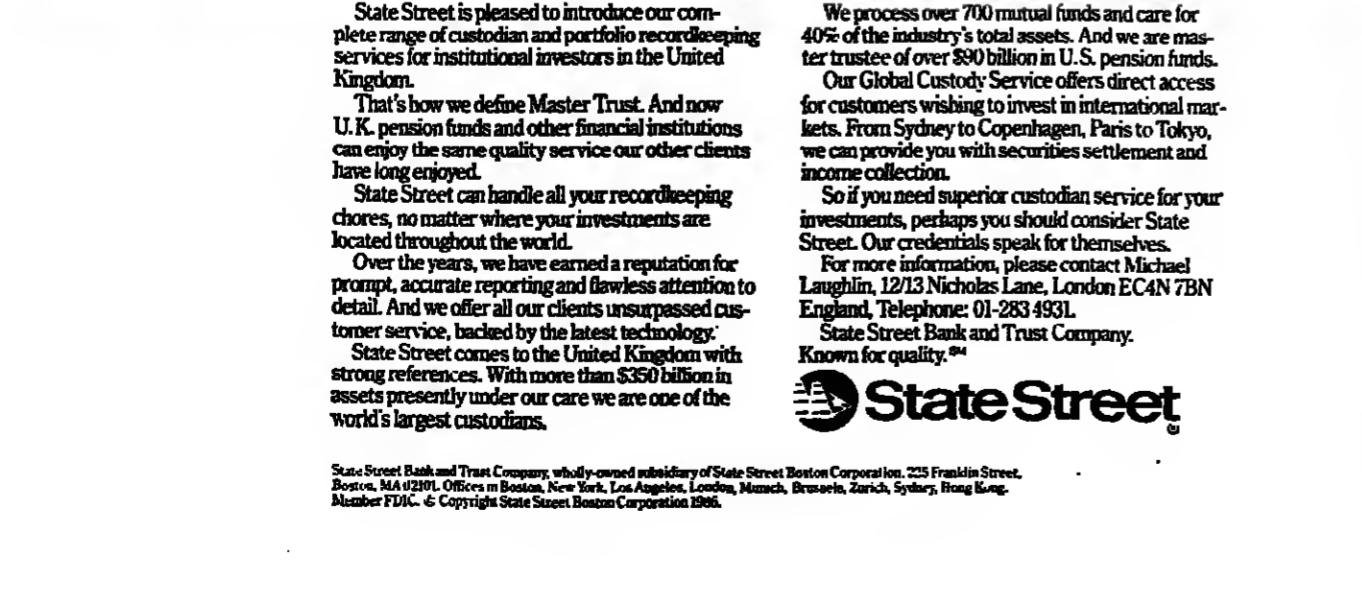
**DEBENTURES SHOULD BE SURRENDERED** with all coupons appertaining thereto maturing after the date fixed for redemption, failing which the face value of any missing unmatured coupon will be deducted from the sum due for payment.

Any amount so deducted will be paid against surrender of the missing coupon within a period of 10 years from June 15th, 1992. On or after the date fixed for redemption, interest on the Debentures will cease to accrue.

May 13th, 1986

**HYDRO-QUEBEC**

### ALLOW US TO PRESENT OUR CREDENTIALS.



State Street is pleased to introduce our complete range of custodian and portfolio recordkeeping services for institutional investors in the United Kingdom.

That's how we define Master Trust. And now U.K. pension funds and other financial institutions can enjoy the same quality service our other clients have long enjoyed.

State Street can handle all your recordkeeping chores, no matter where your investments are located throughout the world.

Over the years, we have earned a reputation for prompt, accurate reporting and flawless attention to detail. And we offer all our clients unsurpassed customer service, backed by the latest technology.

State Street comes to the United Kingdom with strong references. With more than \$350 billion in assets presently under our care we are one of the world's largest custodians.

We process over 700 mutual funds and care for 40% of the industry's total assets. And we are master trustee of over \$90 billion in U.S. pension funds.

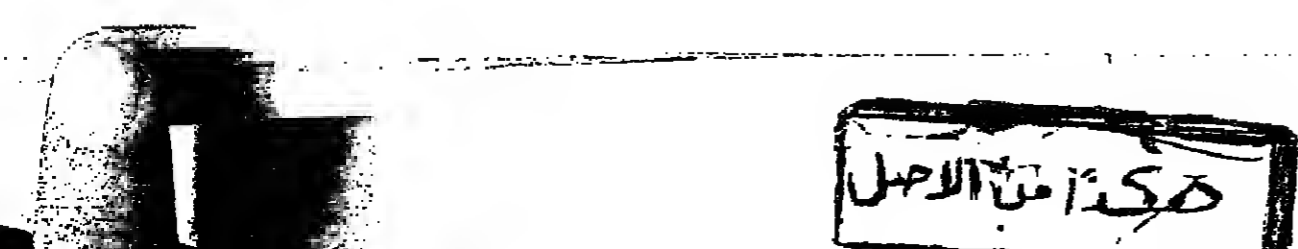
Our Global Custody Service offers direct access for customers wishing to invest in international markets. From Sydney to Copenhagen, Paris to Tokyo, we can provide you with securities settlement and income collection.

So if you need superior custodian service for your investments, perhaps you should consider State Street. Our credentials speak for themselves.

For more information, please contact Michael Laughlin, 12/13 Nicholas Lane, London EC4N 7BN England. Telephone: 01-263 4931.  
 State Street Bank and Trust Company.  
 Known for quality.

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FT LAW REPORTS

Coca-Cola bottle cannot be a trade mark

IN RE THE COCA-COLA COMPANY
House of Lords (Lord Keith of Kinkell, Lord Brandon of Oakbrook, Lord Templeman, Lord Griffiths and Lord Oliver of Aylmerton): May 8, 1986.

A SHAPE or article is not registrable as a trade mark and accordingly a distinctive bottle containing a well-known beverage is incapable of registration.
The House of Lords so held when dismissing an appeal by the Coca-Cola Company from a Court of Appeal decision that the Registrar of Trade Marks was right to reject its application to register a Coca-Cola bottle as a trade mark.

Section 8(1) of the Trade Marks Act 1938 provides that a mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, or any combination thereof; a trade mark means a mark used in relation to goods for the purpose of indicating... a connection in the course of trade between the goods and some person having the right... to use the mark.
LORD TEMPLEMAN said that since the early 1920s the Coca-Cola Company had sold in the UK a non-alcoholic beverage under the name Coca-Cola in bottles of a distinctive shape.

The company's application to register the bottle as a trade mark had been rejected by the Registrar of Trade Marks, Mr Justice Falconer and the Court of Appeal. It now appealed.

The Trade Marks Act 1938 conferred on the proprietor of a registered trade mark the exclusive right in perpetuity to the use of a "trade mark which is distinctive." By section 9(2) of the Act "distinctive" meant "adapted... to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade."

The company's application was for registration of the Coca-Cola bottle with its distinctive shape as a trade mark in respect of non-alcoholic beverages.

It was not sufficient for the bottle to be distinctive. The company must succeed in the startling proposition that a bottle was a trade mark. If so, then any other container or article of distinctive shape was capable of being a trade mark.

That raised the spectre of a total and perpetual monopoly in containers and articles achieved by means of the 1938 Act.

The Registrar of Trade Marks had always taken the view that the function of trade marks was to protect the mark but not the article which was marked. That was correct.

The word "mark" in its normal meaning and in its statutory definition in section 68(1) of the Act, was apt only to describe something which distinguished goods rather than the goods themselves. A bottle was a container, not a mark.

in the form of a dome and other shapes. Their products were impressed with the representation of a dome and their labels carried a picture of a black dome. They were allowed to register the representation or picture of the dome as a trade mark. Similarly the Coca-Cola Company had been allowed to register a line drawing of the bottle as a trade mark.

But dealing with the article itself, in re Jomcs, Lord Justice Lindley said at page 385. "A mark must be something distinct from the thing marked. The thing cannot be a mark of itself."

Counsel for the company relied on the House of Lords decision in Smith, Kline and French, French v. Windrop (1876) 12 RPC 511 where the plaintiffs were allowed to register 10 distinctive colour combinations as trade marks for drugs sold in pellet form within capsules.

That case related only to the colour of the goods and had no application to the goods themselves or to a container for goods. A colour combination might tend to an undesirable monopoly in colours but did not create an undesirable monopoly in goods or containers. The case was of no assistance to the Coca-Cola Company.

The appeal would be dismissed.
Their Lordships agreed.
For Coca-Cola: T. A. Blonch White QC and Christopher Morcom (McKenna & Co), for the Registrar of Trade Marks: Hugh Laddie QC (Treasury Solicitor).

By Rachel Davies, Barrister

THESE REPORTS, together with full texts of judgments, are published in monthly volumes. For subscription details contact Kluwer Law Publishing, Africa House, 68 Kingsway, London WC2B 6BD. Phone 01-631 0381.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Barchester Managed Co Ltd, British American Unit Trusts, and others, including their names, managers, and financial details.

F.T. CROSSWORD PUZZLE No. 6,020

DANTE crossword puzzle grid with numbers 1 through 29 indicating starting positions for clues.

- ACROSS
1 Insecta with wings of short span (5)
5 Bound to reveal source (8)
9 Chips are heavenly like this! (8)
10 A speaker who is skilled at splitting alternatives (6)
12 Animal not usually laden (5)
13 Bound to go wrong? (3, 6)
14 Glues pieces of wood (6)
16 Become aware of the truth about a tissue of lies (7)
19 Retire from the contest—not up to it? (7)
21 Welsh town once ruined by our railway (6)
23 Hi-used vehicle (8)
25 Happen to come to mind (5)
26 In their own fields the French are unbeatable! (6)
27 Game to set kites swirling? (6)
28 Full of zeal for a new trend (6)
29 Apprehends about a thousand supporters (3-4)

6 Filter supplied by firm with some delay (9)
7 Put in last place (5)
8 New gardener brought in the crop (8)
11 A Service rise that makes one well of (6, 3)
15 Stockholder (4, 3)
17 In this form, two sides are perfectly matched (9)
18 Local ranch where Incas ate perhaps (8)
20 Suspend for a mild expletive (4)
21 Weave of destruction? (7)
22 Credit is twice provided in an emergency (8)
24 Get on a governing body (5)
25 Different route further from the centre (5)

Solution to Puzzle No. 6,019
D A N T E
1. Insecta with wings of short span (5)
2. Bound to reveal source (8)
3. Chips are heavenly like this! (8)
4. A speaker who is skilled at splitting alternatives (6)
5. Animal not usually laden (5)
6. Bound to go wrong? (3, 6)
7. Glues pieces of wood (6)
8. Become aware of the truth about a tissue of lies (7)
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10. Welsh town once ruined by our railway (6)
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13. In their own fields the French are unbeatable! (6)
14. Game to set kites swirling? (6)
15. Full of zeal for a new trend (6)
16. Apprehends about a thousand supporters (3-4)

DOWN
1 Holiday break for Teresa (6)
2 Present following the future (9)
3 Was unhappy about a means of transport (5)
4 When an I.O.U. runs out it could well be (7)

J.P.M. 1985

FT UNIT TRUST INFORMATION SERVICE

Table listing various unit trusts such as Barchester Managed Co Ltd, British American Unit Trusts, and others, including their names, managers, and financial details.

AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various insurance and unit trust companies, including Abbey Life, Actua Life, and others, with columns for company name, address, and contact information.

Table listing various insurance and unit trust companies, including Clerical Medical, Colonial Mutual, and others, with columns for company name, address, and contact information.

Table listing various insurance and unit trust companies, including Imperial Life, British Life, and others, with columns for company name, address, and contact information.

Table listing various insurance and unit trust companies, including Phoenix, Prudential, and others, with columns for company name, address, and contact information.

INSURANCES

Table listing insurance companies and their details, including AA Fidelity, Abbey Life, and others.

Handwritten text at the bottom of the page, possibly a signature or stamp.

INSURANCE, OVERSEAS & MONEY FUNDS

JAPAN 1985

Main table containing financial data for various insurance, overseas, and money funds. Columns include fund names, managers, and performance metrics.

Money Market Trust Funds

Money Market Bank Accounts

TRADITIONAL OPTIONS

Table listing traditional options with columns for instrument names and prices.

A selection of options listed in the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Cash aid for Malaysia's tin mines

BY WONG SULONG IN KUALA LUMPUR

THE Malaysian Government is to consider providing its mining companies with soft loans to help them survive the current slump in the tin market.

12,000 tonnes of unsold tin, but tin is creating a depressing overhang on the market.

Last week, Malaysian miners sold only 228 tonnes on the Kuala Lumpur tin market at the average price of 14.3 ringgit a kilo.

The minister's proposals have been welcomed by the tin industry.

Rubber talks stall over price range

BY WILLIAM DULLFORCE IN GENEVA

TALKS on a new International Natural Rubber Agreement (Inra) entered their second week in Geneva yesterday with no sign of understanding between producers and consumers over the crucial issue of a new price range.

price, currently fixed at 201.66 Malaysian/Singapore cents a kilo. The reference price determines the price levels at which the Inra buffer stock manager may, or is obliged to, buy or sell.

The positions staked out by the two sides last week agreed only that price stabilisation should be a primary objective and that the new Inra should be financially viable.

Views differed on the role of the buffer stock. The EEC insisted that price stabilisation should be distinguished from "any concept to support natural rubber prices."

Fall in wool output expected

BY ANDREW GOWERS

WORLD wool production is expected to show its first decline this season since 1982, mainly as a result of difficulties in the Soviet Union and New Zealand, the second and third largest producing countries.

which it lost to the Soviet Union in the mid-1970s. Flock growth there partly reflects the influence of relative price stability for wool and declining profitability in other rural enterprises such as meat and crops, the secretariat says.

and of a downturn in local wool prices. Production is expected to fall by 5 per cent to 353,000 tonnes, its lowest level since 1979-80.

Florida seeks orange juice import duty

FLORIDA Citrus Mutual the largest association of citrus growers in the US, is seeking the imposition of anti-dumping duties on the importation of frozen concentrated orange juice from Brazil, Reuters reports.

Cow sale case settled

US CATTLE groups and the US Agriculture Department, has settled a lawsuit over how fast the Government will require dairy farmers to sell their cows for slaughter under a new programme aimed at curbing milk surpluses.

Arab states cut oil prices

BY OUR MIDDLE EAST STAFF

ABU DHABI and Oman have informed contract customers of retrospective cuts in prices for their crude varieties for April deliveries ranging from 95 cents per barrel to \$1.20, purchasers confirmed yesterday.

price during the previous month.

to \$1.25 per barrel—depending on volumes—below the rates based on the net-back formula applied since last autumn whereby the prices is related to actual product realisations on the market less costs of refining and transportation as well as an agreed profit margin.

LONDON METAL EXCHANGE WAREHOUSE STOCKS

Table with columns for metal (Aluminium, Copper, Nickel, Zinc), quantity (tonnes), and price.

Chernobyl: unanswered questions

THE NUCLEAR catastrophe at Chernobyl should be a warning to us all, that modern scientific techniques are not infallible and that accidents can happen no matter what political system they operate under.

Some people are certainly getting the wind up. The EEC is forbidding the importation of foodstuffs from areas within 500 miles from Kiev.

These questions demand an answer — if there is a logical answer, that is. I would like to know what research is being done into the effects of radiation on plants and animals.

These questions demand an answer — if there is a logical answer, that is. I would like to know what research is being done into the effects of radiation on plants and animals.



By John Cherrington

We are told that radiation is far more persistent than any poison gas; that it might take 40 years before the victims develop cancer; that it will be generations perhaps before genetic mutations appear in living animals.

As a farmer, I think I should know what that government does know what could happen and be afraid of the consequences of telling populations of the risks they are running rather than nuclear weapons or nuclear power.

LONDON MARKETS

ROBUSTA coffee futures collapsed yesterday on the London Commodity Exchange to their lowest level since early December, following news at the weekend that Colombia had cut its export registration price by \$10 a bag to \$350.

INDICES

Table with columns for Index Name, May 12, and % Change.

MAIN PRICE CHANGES

Table with columns for Commodity, Unit, and Price Change.

US MARKETS

THE LACK of fresh economic news led to a decline in the precious metal markets, reports Belmont, Commodities. Copper drifted slightly lower in uneventful trading.

NEW YORK

Table with columns for Commodity, High, Low, and Price.

CHICAGO

Table with columns for Commodity, High, Low, and Price.

ALUMINIUM

Table with columns for Grade, Price, and Change.

COPPER

Table with columns for Grade, Price, and Change.

GRAINS

Table with columns for Commodity, Price, and Change.

WHEAT

Table with columns for Grade, Price, and Change.

LEAD

Table with columns for Grade, Price, and Change.

TIN

Table with columns for Grade, Price, and Change.

NICKEL

Table with columns for Grade, Price, and Change.

ZINC

Table with columns for Grade, Price, and Change.

GOLD

Table with columns for Price, Change, and Volume.

SILVER

Table with columns for Price, Change, and Volume.

POTATOES

Table with columns for Grade, Price, and Change.

RUBBER

Table with columns for Grade, Price, and Change.

COCAOA

Table with columns for Grade, Price, and Change.

COFFEE

Table with columns for Grade, Price, and Change.

CRUDE OIL

Table with columns for Grade, Price, and Change.

PLATINUM

Table with columns for Price, Change, and Volume.

COPPER

Table with columns for Grade, Price, and Change.

COFFEE

Table with columns for Grade, Price, and Change.

COCAOA

Table with columns for Grade, Price, and Change.

SUGAR

Table with columns for Grade, Price, and Change.

MEAT

Table with columns for Grade, Price, and Change.

PIGMEAT

Table with columns for Grade, Price, and Change.

TEA

Table with columns for Grade, Price, and Change.

SOYABEAN MEAL

Table with columns for Grade, Price, and Change.

SOYABEAN OIL

Table with columns for Grade, Price, and Change.

SPOT PRICES

Table with columns for Commodity, Price, and Change.

CRUDE OIL

Table with columns for Grade, Price, and Change.

PRODUCTS

Table with columns for Commodity, Price, and Change.

GAS OIL FUTURES

Table with columns for Month, Price, and Change.

FREIGHT FUTURES

Table with columns for Month, Price, and Change.

TANKERS

Table with columns for Month, Price, and Change.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar pauses at Y160

The dollar continued to weaken on the foreign exchanges yesterday, but finished towards the top of the day's range, after opening very weak in London.

£ IN NEW YORK

Table with columns: May 13, Close, Prev. close. Rows for 1 month, 3 months, 6 months, 12 months.

There was also no impact on the pound from the devaluation of the Norwegian krone by 12 per cent over the weekend, the currency of the other main North Sea oil producer.

The dollar fell to a record closing low of Y161.05 from Y162.50 on DM 2.1785, to DM 2.1785 from DM 2.1785.

Sterling traded quietly, remaining on the sidelines. It was generally firm however, showing no reaction to the political uncertainty caused by last Thursday's election results in the UK.

POUND SPOT—FORWARD AGAINST POUND

Table with columns: Day's Close, One month, Three months, Six months, One year. Rows for US, Canada, West Germany, France, Italy, Spain, Norway, Japan, Sweden, Australia, Switzerland, Belgium.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns: Day's Close, One month, Three months, Six months, One year. Rows for UK, West Germany, France, Italy, Spain, Norway, Japan, Sweden, Australia, Switzerland, Belgium.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Unit, % change, % change. Rows for Belgium, France, Germany, Greece, Italy, Netherlands, Portugal, Spain, UK, Ireland, Luxembourg, Austria, Finland, Denmark, Greece, Ireland, Italy, Netherlands, Portugal, Spain, UK, Ireland, Luxembourg, Austria, Finland, Denmark.

MONEY MARKETS

Easier rates reflect quiet optimism

Interest rates were slightly easier in London yesterday, in rather quiet trading. Little new to influence the market, although sterling's continued steady trend and speculation about another reduction in the Bank of England's base rate.

UK clearing bank base lending rate 10 1/2 per cent since April 21

Transactions adding £12m and a fall in the note circulation of £200m. In addition, banks sought forward balances £70m above target. The forecast was revised to a shortage of around £200m and the Bank gave notice in the morning of £10m through outright purchases of eligible bank bills in hand 2 at 10 1/2 per cent.

EURO-CURRENCY INTEREST RATES

Table with columns: May 13, Short, 7 days, 1 month, 3 months, 6 months, One year. Rows for Sterling, U.S. Dollar, U.K. Dollar, D. Mark, Swiss Franc, Deutsche Mark, French Franc, Italian Lira, Japanese Yen, Australian Dollar, New Zealand Dollar, Hong Kong Dollar, Singapore Dollar, Thai Baht, Indian Rupee, Pakistani Rupee, Sri Lankan Rupee, Indonesian Rupiah, Malaysian Ringgit, Philippine Peso, South African Rand, Botswana Pula, Lesotho Loti, Swaziland Lilangeni, Zimbabwe Dollar, Mozambique Escudo, Malawi Kwacha, Guyanese Dollar, Surinamese Dollar, Ugandan Shilling, Kenyan Shilling, Tanzanian Shilling, Maldivian Rufiyaa, Mauritanian Ouguiya, Comorian Franc, Djiboutian Franc, Seychellois Rupee, Namibian Dollar, Botswana Pula, Lesotho Loti, Swaziland Lilangeni, Zimbabwe Dollar, Mozambique Escudo, Malawi Kwacha, Guyanese Dollar, Surinamese Dollar, Ugandan Shilling, Kenyan Shilling, Tanzanian Shilling, Maldivian Rufiyaa, Mauritanian Ouguiya, Comorian Franc, Djiboutian Franc, Seychellois Rupee, Namibian Dollar.

MONEY RATES

Table with columns: May 13, One month, Two months, Three months, Six months, One year. Rows for Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Rome, Dublin.

FINANCIAL FUTURES

Weaker trend

US bond prices were weaker in the Futures International Financial Trades Exchange yesterday. Speculation that the Japanese authorities would cut their discount rate in order to limit the yen rise against the dollar failed to give the support that would normally have been expected and a negative feeling in the market soon produced a steady selling trend.

Sentiment was further undermined as US bond prices in Chicago went limit down and values in London hovered about seven points below the limit until the resumption of business in Chicago. This prompted a rash of short covering and profit-taking so that prices finished above the day's lows. However, the market remained unimpressed, with today's US retail Friday.

testimony before Congress today, and various US economic data. At the Frankfurt close the dollar had fallen to DM 2.17025 from DM 2.1757.

testimony before Congress today, and various US economic data. At the Frankfurt close the dollar had fallen to DM 2.17025 from DM 2.1757.

NEW YORK RATES

Table with columns: Bank of England, Morgan Guaranty, Special Drawing Rights, Currency Unit. Rows for Sterling, U.S. Dollar, U.K. Dollar, D. Mark, Swiss Franc, Deutsche Mark, French Franc, Italian Lira, Japanese Yen, Australian Dollar, New Zealand Dollar, Hong Kong Dollar, Singapore Dollar, Thai Baht, Indian Rupee, Pakistani Rupee, Sri Lankan Rupee, Indonesian Rupiah, Malaysian Ringgit, Philippine Peso, South African Rand, Botswana Pula, Lesotho Loti, Swaziland Lilangeni, Zimbabwe Dollar, Mozambique Escudo, Malawi Kwacha, Guyanese Dollar, Surinamese Dollar, Ugandan Shilling, Kenyan Shilling, Tanzanian Shilling, Maldivian Rufiyaa, Mauritanian Ouguiya, Comorian Franc, Djiboutian Franc, Seychellois Rupee, Namibian Dollar.

CURRENCY MOVEMENTS

Table with columns: May 12, Bank of England, Morgan Guaranty, Special Drawing Rights, Currency Unit. Rows for Sterling, U.S. Dollar, U.K. Dollar, D. Mark, Swiss Franc, Deutsche Mark, French Franc, Italian Lira, Japanese Yen, Australian Dollar, New Zealand Dollar, Hong Kong Dollar, Singapore Dollar, Thai Baht, Indian Rupee, Pakistani Rupee, Sri Lankan Rupee, Indonesian Rupiah, Malaysian Ringgit, Philippine Peso, South African Rand, Botswana Pula, Lesotho Loti, Swaziland Lilangeni, Zimbabwe Dollar, Mozambique Escudo, Malawi Kwacha, Guyanese Dollar, Surinamese Dollar, Ugandan Shilling, Kenyan Shilling, Tanzanian Shilling, Maldivian Rufiyaa, Mauritanian Ouguiya, Comorian Franc, Djiboutian Franc, Seychellois Rupee, Namibian Dollar.

CURRENCY RATES

Table with columns: Bank of England, Morgan Guaranty, Special Drawing Rights, Currency Unit. Rows for Sterling, U.S. Dollar, U.K. Dollar, D. Mark, Swiss Franc, Deutsche Mark, French Franc, Italian Lira, Japanese Yen, Australian Dollar, New Zealand Dollar, Hong Kong Dollar, Singapore Dollar, Thai Baht, Indian Rupee, Pakistani Rupee, Sri Lankan Rupee, Indonesian Rupiah, Malaysian Ringgit, Philippine Peso, South African Rand, Botswana Pula, Lesotho Loti, Swaziland Lilangeni, Zimbabwe Dollar, Mozambique Escudo, Malawi Kwacha, Guyanese Dollar, Surinamese Dollar, Ugandan Shilling, Kenyan Shilling, Tanzanian Shilling, Maldivian Rufiyaa, Mauritanian Ouguiya, Comorian Franc, Djiboutian Franc, Seychellois Rupee, Namibian Dollar.

OTHER CURRENCIES

Table with columns: Country, Currency, Value of £ Sterling. Rows for Afghanistan, Albania, Algeria, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Burma, Burundi, Cambodia, Cameroon, Canada, Ceylon, Central African Republic, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Falkland Islands, Faroe Islands, French Guiana, French Polynesia, Gabon, Gambia, Germany, Ghana, Greece, Greenland, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kampuchea, Kenya, Kiribati, Korea, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Liechtenstein, Luxembourg, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Micronesia, Monaco, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Rumania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovakia, Somalia, South Africa, South Korea, Spain, Sri Lanka, St. Helena, St. Kitts, St. Lucia, St. Vincent, Suriname, Swaziland, Sweden, Switzerland, Syria, Taiwan, Tanzania, Thailand, Togo, Tonga, Trinidad, Tunisia, Turkey, Tuvalu, Uganda, United Kingdom, Uruguay, Uzbekistan, Vanuatu, Vatican, Venezuela, Vietnam, West Bank, Yemen, Yugoslavia, Zambia, Zimbabwe.

FT LONDON INTERBANK FIXING

Table with columns: Three months US dollars, Six months US dollars. Rows for Interbank, Sterling, Local Authority Deposits, Treasury Bills, Discount Mkt. Deposits, Corporate Deposits, Bank Bills, Fine Trade Bills, SDRs, Local Authority Deposits, Treasury Bills, Discount Mkt. Deposits, Corporate Deposits, Bank Bills, Fine Trade Bills, SDRs.

CHICAGO

Table with columns: US Treasury Bonds, US Treasury Bills, US Treasury Notes. Rows for 10-year, 30-year, 1-year, 2-year, 3-year, 4-year, 5-year, 7-year, 10-year.

EXCHANGE CROSS RATES

Table with columns: May 13, £, \$, DM, Yen, Ffr, Sfr, Hk\$, Lira, D\$, Sfr. Rows for £/\$, £/DM, £/Yen, £/Ffr, £/Sfr, £/Hk\$, £/Lira, £/D\$, £/Sfr.

20-YEAR 12% NATIONAL DIRT

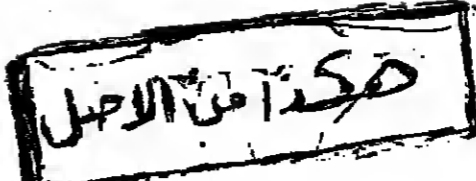
Table with columns: May 13, Close, High, Low, Prev. Rows for 20-year 12% National DIRT.

STERLING INDEX

Table with columns: May 13, Previous, 8.30 am, 9.00 am, 10.00 am, 11.00 am, 12.00 pm, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm. Rows for Sterling Index.

FT LONDON INTERBANK FIXING

Table with columns: Three months US dollars, Six months US dollars. Rows for Interbank, Sterling, Local Authority Deposits, Treasury Bills, Discount Mkt. Deposits, Corporate Deposits, Bank Bills, Fine Trade Bills, SDRs, Local Authority Deposits, Treasury Bills, Discount Mkt. Deposits, Corporate Deposits, Bank Bills, Fine Trade Bills, SDRs.



sales and testimony by Mr James Baker, US Treasury Secretary, likely to be a key influence. Yesterday's sombre mood reflected uncertainty about the inflationary effects of a weaker dollar and a recent rebound in oil prices. The 10-year Treasury bond opened at 95-29 and touched a low of 96-30 before closing at 97-12, down from 99-06 on Friday.

Long gilt prices ended on a weak note but rose again a little above the day's lows. The June prices opened at 125-08 down from 125-16 and touched a low of 124-08 before closing at 124-14, down from 125-16 on Friday.

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Financial Information Service for Japanese Corporate Issuers

MIKUNI'S CREDIT RATINGS. On over 2,100 bond issues by about 700 Japanese companies. Cost US\$2,200 per year. (Effective as of July 1, 1986: US\$2,600 per year).

Legal Notices. IN THE MATTER OF THE COMPANIES ACT 1985 AND STRAWHEAD LIMITED. NOTICE IS HEREBY GIVEN that the Creditors of the above-named company are required to send their names and addresses to the Liquidator.

A FINANCIAL TIMES SURVEY MERSEYSIDE. The Financial Times proposes to publish this Survey on: MONDAY, 23 JUNE, 1986.

For a detailed editorial synopsis please contact: BRIAN HERON, FINANCIAL TIMES, QUEEN'S HOUSE, QUEEN STREET, MANCHESTER M2 5HT. Tel: 061-834 9381. Telex: 666813.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER.

£ WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on May 12, 1986. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from official foreign currencies to which they are tied.

Table with columns: COUNTRY, CURRENCY, VALUE OF £ STERLING. Rows for Afghanistan, Albania, Algeria, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Burma, Burundi, Cambodia, Cameroon, Canada, Ceylon, Central African Republic, Chile, China, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Falkland Islands, Faroe Islands, French Guiana, French Polynesia, Gabon, Gambia, Germany, Ghana, Greece, Greenland, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kampuchea, Kenya, Kiribati, Korea, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Liechtenstein, Luxembourg, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Micronesia, Monaco, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Rumania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Slovakia, Somalia, South Africa, South Korea, Spain, Sri Lanka, St. Helena, St. Kitts, St. Lucia, St. Vincent, Suriname, Swaziland, Sweden, Switzerland, Syria, Taiwan, Tanzania, Thailand, Togo, Tonga, Trinidad, Tunisia, Turkey, Tuvalu, Uganda, United Kingdom, Uruguay, Uzbekistan, Vanuatu, Vatican, Venezuela, Vietnam, West Bank, Yemen, Yugoslavia, Zambia, Zimbabwe.

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years), Five to Fifteen Years, Over Fifteen Years, and various other categories like 'Undated', 'Index-Linked', 'INT. BANK AND ISSUES GOVT STERLING ISSUES', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', 'LOANS', 'Public Board and Ind.', 'Financial', and 'FOREIGN BONDS & RAILS'.

AMERICANS-Cont.

Table of American Stocks and Funds, including 'AMERICANS-Cont.', 'CANADIANS', 'BANKS, HP & LEASING', 'BEERS, WINES & SPIRITS', 'BUILDING, TIMBER, ROADS', and 'AMERICANS'.

LONDON SHARE SERVICE

Main table of London Share Service, categorized into 'BUILDING, TIMBER, ROADS-Cont.', 'DRAPERY & STORES-Cont.', 'ELECTRICALS', 'CHEMICALS, PLASTICS', 'DRAPERY AND STORES', 'FOOD, GROCERIES, ETC', and 'HOTELS AND CATERERS'.

Financial Times Tuesday

Table of Financial Times Tuesday, including 'ENGINEERING-Continued' and 'INDUSTRIALS'.

Handwritten text in a box at the top center of the page.

Financial Times Tuesday May 13 1986

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections for Industrials, Leisure, Property, and Insurance.

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections for Leisure, Property, and Insurance.

INVESTMENT TRUSTS—Cont.

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections for Property, Finance, Land, and Shipping.

FINANCE, LAND—Cont.

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections for Finance, Land, and Shipping.

MINES—Continued

Table with columns for Stock, Price, and various financial metrics. Includes sub-sections for Diamonds and Platinum, Central African, Finance, Oil and Gas, and Shipping.

NOTES section containing various financial notes and company announcements.

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Account Dealing Dates
Option
\*First Declared Last Account
Dealings From Dealings Day
Apr 28 May 8 May 9 May 19
May 12 May 29 May 30 June 9
June 2 June 12 June 13 June 23

Steadier trend in equity leaders but
Gilts fall on US influences

For the first time in five trading sessions equities were showing signs of stabilising yesterday. Dealing conditions were extremely quiet as the new three week Account got underway, but the recent uncertainty which had characterised markets appeared to fade and was accompanied by a little selective demand for blue chip industrials.

Awaiting tomorrow's first-quarter figures, Commercial Union edged forward a few pence to 322p in Composites.
Dealers reported extremely quiet conditions among Breweries. Guinness, down to 307p earlier, rallied to settle a couple of pence nearer an ounce at 312p as brokers Wood Mackenzie and Cazenove attempted to place around £100m of Convertible stock most of which was believed to have emanated from Morgan Grenfell and associates.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, May 12, May 8, May 9, May 10, May 11, May 12, Year Ago. Includes Government Secs, Ordinary, Gold Mines, etc.

to 577p after profit-taking. The Leisure sector displayed several bright features. WSL attracted fresh support on expansion hopes and rose 5 to 181p, while Radio City (Sound of Merseyside), hoisted by Press comment, gained 6 to 43p. Leisuretime fresh support on speculative interest before closing a net 3 up at 106p, but profit-taking clipped 4 from Aspinall Holdings at 165p. SelectTV aimed 2 to 217p.

EQUITIES

Table with columns: Stock Name, High, Low, Close. Lists various equities like British Airways, British Telecom, etc.

FIXED INTEREST STOCKS

Table with columns: Stock Name, High, Low, Close. Lists fixed interest securities like British Government, etc.

RIGHTS OFFERS

Table with columns: Stock Name, Rights Offered, Price. Lists companies with rights offers.

Illustrating the trend, the Financial Times Ordinary share index which recorded a loss of 4.5 at the 10 am calculation, recovered to show a gain of 2.3 few hours later before closing 0.2 higher on the day at 1,330.5.

Secondary issues, in contrast, included numerous good features mainly in response to weekend Press tips and revival of takeover speculation.
Government securities were again largely influenced by the US bond market which came under selling pressure yesterday. The announcement of favourable producer price indices around mid-day failed to arrest an initial setback and losses which ranged to about 4 point at the long end of the gilt market were extended further in the afternoon.

HIGHS AND LOWS

Table with columns: Index Name, High, Low, Close. Summary of high and low values for various indices.

S.E. ACTIVITY

Table with columns: Index Name, High, Low, Close. Summary of South East activity for various indices.

CES wanted late

Leading Retailers, depressed in late night issue news from Harris Queensway and disappointing annual results from Marks and Spencer, staged a modest rally in relatively subdued trading. Burton, 290p, Harris Queensway, 226p, and Sainsbury, 285p, all edged around 4, while Sears, scheduled to reveal preliminary figures today, improved a couple of pence to 176p. Combined English Stores stood out, however, rising 12 to 225p following a flurry of speculative demand towards the company's close. NES Newsagents touched 172p before settling a net 4 to the good at 168p; the first-half figures are expected tomorrow. Favourable Press comment lifted Asprey 20 to 610p, and Ladies Pride 2 to 30p, while fresh speculative support saw Alexon 5 dealer at 35p and Bolton Textile 3 up at 25p.

Dupont up on bid

Among the numerous features in miscellaneous industries, Dupont closed 11 higher at 136p in response to the agreed bid from Williams Holdings. Kelsey Industries leapt 80 to 325p on an investment recommendation and speculative buying on bid hopes helped Avon Rubber rise 11 to 305p. Pritchard Services improved 6 to 85p and Wideway put on 3 to 43p. Blue Arrow, believed to be the bidder for Hoggar Bowers, added 8 to 351p, while Mecarthys Pharmaceuticals jumped 27 to 387p. Trafalgar House reflected Press comment with a gain of 9 at 295p and improved to 10 and 20 respectively were recorded in Pearson, 465p, and Parkfield, 510p. Staffordshire Pottery, on the other hand, fell 11 after hours in 120p on rumours that the company had been taken over by Colocol had lapsed; the latter ended 7 down at 203p. Rumours that Mr Robert Holmes & Court had sold his stake to the company led Morgan Grenfell 8 off at 302p, after 30p, while adverse comment clipped 23 from Europer Ferries, at 133p. Among the leaders, Glaxo stood out with a rise of 28 to 853p on revived support and a further 20 to 873p at 11:57 following the first-quarter figures. BOC moved between extremes of 336p and 323p following the interim figures and before closing a few pence off on balance at 332p. Bank Organisation, a strong market last week on rumours of a bid from Bond Corporation, fell 12

Guinness Peat up

Guinness Peat returned to prominence in merchant banks, rising 7 to 85p on speculative buying fuelled by revived US bid hopes. Brown Shipley, however, at 620p, lost 25 of Friday's speculative rise of 45 on profit-taking; it was announced yesterday that investment international SA had acquired 0.88m shares in the company. Elmhurst, Standard Chartered cheapened a couple of pence to 808p ahead of today's publication of the company's annual report from 12p. C. E. Heath fell 21 to 612p on nervous offerings ahead of Thursday's preliminary results. Among other old Lloyd's brokers, PWS International dropped 27 to 233p and Sedgwick lost 8 to 347p.

FT-ACTUARIES SHARE INDICES

Table with columns: Index Name, High, Low, Close. Lists various actuarial share indices.

YESTERDAY'S ACTIVE STOCKS

Table with columns: Stock Name, High, Low, Close. Lists active stocks from yesterday.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock Name, High, Low, Close. Lists active stocks from Friday.

NEW HIGHS AND LOWS FOR 1986

Table with columns: Stock Name, High, Low, Close. Lists new highs and lows for 1986.

NEW LOWS (49)

Table with columns: Stock Name, High, Low, Close. Lists new lows for 1986.

RISES AND FALLS

Table with columns: Stock Name, High, Low, Close. Lists rises and falls for various stocks.

TRADITIONAL OPTIONS

Table with columns: Stock Name, High, Low, Close. Lists traditional options.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Stock Name, High, Low, Close. Lists European options exchange data.

LONDON TRADED OPTIONS

Table with columns: Stock Name, High, Low, Close. Lists London traded options data.

FIXED INTEREST

Table with columns: Stock Name, High, Low, Close. Lists fixed interest data.

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WORLD STOCK MARKETS

Handwritten Arabic text in a box: 'السوق العالمية'

AUSTRIA

Table of stock prices for Austria, including companies like Creditanstalt, G. P. G., and others.

GERMANY

Table of stock prices for Germany, including companies like Allianz, Bayer, and others.

NORWAY

Table of stock prices for Norway, including companies like Bergsjon Bank, Hordaland, and others.

AUSTRALIA (continued)

Table of stock prices for Australia, including companies like Gen. Prop. Trust, Marjorie Energy, and others.

JAPAN (continued)

Table of stock prices for Japan, including companies like Mizuho Bank, Daiwa Bank, and others.

CANADA

TORONTO

Table of stock prices for Toronto, including companies like Alcan, Inco, and others.

INDICES

Table of stock indices for various markets, including NYSE, LSE, and others.

NEW YORK

Table of stock prices for New York, including companies like IBM, AT&T, and others.

STANDARD AND POORS

Table of Standard and Poors stock prices, including companies like IBM, AT&T, and others.

DENMARK

Table of stock prices for Denmark, including companies like Danfoss, and others.

ITALY

Table of stock prices for Italy, including companies like IRI, and others.

SWEDEN

Table of stock prices for Sweden, including companies like Alfa Romeo, and others.

HONG KONG

Table of stock prices for Hong Kong, including companies like Bank East Asia, and others.

JAPAN

Table of stock prices for Japan, including companies like Daiwa Bank, and others.

SINGAPORE

Table of stock prices for Singapore, including companies like Overseas Chinese, and others.

NETHERLANDS

Table of stock prices for Netherlands, including companies like ABN, and others.

SWITZERLAND

Table of stock prices for Switzerland, including companies like Swiss Bank, and others.

AUSTRALIA

Table of stock prices for Australia, including companies like J.C. Int'l, and others.

JAPAN

Table of stock prices for Japan, including companies like Daiwa Bank, and others.

SOUTH AFRICA

Table of stock prices for South Africa, including companies like Anglo Am, and others.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Large table of over-the-counter stock prices, including companies like Intel, Microsoft, and others.

NYSE CONSOLIDATED 1500 Actives

Table of NYSE Consolidated 1500 Actives stock prices.

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices for various sectors.

LONDON

Table of stock prices for London, including companies like BP, and others.

Chief price changes

Table of chief price changes for various stocks.

Advertisement for 'Get your News early in Stuttgart' with contact information for The Financial Times.

Advertisement for 'LONDON Chief price changes' with a list of stocks and prices.

Advertisement for 'BRUSSELS' with text about decision-makers and contact information.

Advertisement for 'HAND DELIVERY SERVICE' and 'SWITZERLAND' with contact information.

Prices at 3pm, May 12

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, indices, and market data. Includes columns for 12 Month, Stock, Div, Yld, P/E, High, Low, and various market metrics.

Kidder, Peabody Securities Limited. Market Makers in Euro-Securities. An affiliate of Kidder, Peabody & Co. Incorporated. Founded 1865 • Member SIPC. New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo.

Continued on Page 39

NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Prices at 3pm, May 12

Table of NYSE Composite Prices. Columns include Stock, P, S, H, L, C, O, D, and various price points. Includes sub-sections for NYNEX and R R.

Table of AMEX Composite Prices. Columns include Stock, P, S, H, L, C, O, D, and various price points. Includes sub-sections for C ORR and R R.

Table of Nasdaq national market prices. Columns include Stock, P, S, H, L, C, O, D, and various price points.

OVER-THE-COUNTER Nasdaq national market, 2:30pm prices

Table of Over-the-Counter prices. Columns include Stock, P, S, H, L, C, O, D, and various price points.

Continued on Page 37

Continued on Page 37

